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DEFENSE



OFFICIAL WEEKLY BULLETIN OF THE OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRODUCTION MANAGEMENT, NATIONAL DEFENSE ADVISORY COMMISSION, DEFENSE HOUSING COORDINATOR, DEFENSE COMMUNICATIONS BOARD, COORDINATOR OF HEALTH AND WELFARE, NATIONAL DEFENSE RESEARCH COMMITTEE, NATIONAL DEFENSE MEDIATION BOARD, DEFENSE AID REPORTS, COORDINATOR OF COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS, STATE AND LOCAL COOPERATION, OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY, CIVILIAN DEFENSE

WASHINGTON, D. C.

MAY 27, 1941

VOLUME 2, NUMBER 21

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Review of the Week in Defense

The first year of defense ends this week with American industry emerging from the stage of building and tooling into quantity manufacturing of planes, tanks, and guns. A survey shows that substantial progress has been made but that it is largely preliminary to the production that is necessary.

"We have made a start," said OPM Director General William S. Knudsen, "and production should increase with every month from now on. We are not by any means satisfied with the progress made to date."

Sidney Hillman, OPM Associate Director General, said: "Summing up this first year of the defense endeavor, it may be said that while a broad foundation has been laid, nevertheless the all-out participation of our Nation's entire manpower in the defense effort has yet to be achieved."

Greater expenditures to come

Congressional appropriations and contract authorizations by mid-May aggregated more than 37.8 billion dollars, but contracts on May 1 were only 15.2 billion and cash payments but 5.1 billion. The first year was taken up largely with planning, tooling, and building. Greater expenditures, greater production were to come within the second year.

The role of civilians in the national defense program began to broaden with the creation of the Office of Civilian Defense. New York's Mayor F. H. LaGuardia swung into action at once as director. He outlined the general objectives of the office at a press conference, emphasizing that the burden would rest heavily on volunteer workers.

The response was immediate. Mayors, organizations, professional men and women, and others wired Mayor LaGuardia that they were eager to help.

New bomber factory in negotiation

A sharp step-up in the production of heavy bombers, in compliance with demands of the President, was forecast by Director General Knudsen in a dis-

closure that a contract for a huge Ford bomber factory was being negotiated. Federal Loan Administrator Jesse Jones subsequently announced that \$650,000,000 had been allocated for the expanded bomber program.

Mr. Knudsen predicted more farming-out of defense orders during the second year in the interest of speedier production. All contracts henceforth, he said, will carry statements of policy with regard to the amount of work that should be turned over to subcontractors.

President stresses nutrition

With the opening of the National Nutrition Conference for Defense in Washington on Monday, the President called attention to the relationship between public health and national defense.

"Fighting men of our armed forces, workers in industry, the families of these workers, every man and woman in America, must have nourishing food," the President stated in a letter to Federal Security Administrator Paul V. McNutt.

"If people are undernourished, they cannot be efficient in producing what we need in our unified drive for dynamic strength."

Ceiling on combed cotton yarn

The Office of Price Administration and Civilian Supply announced its sixth price ceiling schedule—on combed cotton yarn—and predicted that it would be reflected in the prices of underwear, hosiery, and other apparel. Administrator Leon Henderson told the Chicago conference of the National Association of Manufacturers:

"We have all the power which price-fixing authorities had in the World War days, and many, many more facilities."

The National Defense Mediation Board last week issued public recommendations in the case of the Twin District Council Logging and Sawmill Operators (Seattle, Wash.; for the States of Washington and Oregon), reopened hearings in bituminous coal, appointed a special agent in the case of the Minneapolis Honeywell Regulator Co., and received certification of two new cases.

Booklet reports year's progress in defense

"Defense—One Year," a booklet giving the facts and figures of the first 12 months of America's effort and a brief outline of what must be done in the months to come, has been issued by the Office for Emergency Management. The salient facts of the defense effort are illustrated by charts.

A copy of the booklet is being sent to every person on the mailing list of DEFENSE, and additional copies are available to interested persons on request to the Division of Information, OEM. Quantity supplies may be obtained from the Superintendent of Documents, Washington, D. C., at 10 cents a copy, with a discount of 25 percent on orders of 100 or more to the same address.

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\$1,809,800,000 net available for Navy under Public Law 48

Net funds made available for the Navy under Public Law 48, 77th Congress, First Session, approved on May 6, total \$1,809,800,000, the Bureau of Research and Statistics, OPM, announced May 23. Total appropriations under the bill amount to \$3,447,100,000 from which should be deducted \$1,637,300,000 appropriated to liquidate prior year contract authorizations. The following compilation of net funds shows how the appropriations and contract authorizations were broken down according to object of expenditure:

NET NAVAL APPROPRIATIONS AND CONTRACT AUTHORIZATIONS UNDER PUBLIC LAW 48

	P. L. 48	Navy appropriations and contract authorizations cumulative since June, 1940
	Millions of dollars	Millions of dollars
Airplanes, engines and accessories.....	75	861
Armor, armament and ammunition.....	367	2,850
Naval vessels and equipment.....	388	6,736
Stations, depots and bases.....	297	987
Industrial facilities.....	0	882
Other equipment.....	2	225
Pay, subsistence, training.....	681	1,094
Total.....	1,810	13,635

DEFENSE

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President creates Office of Civilian Defense within Office for Emergency Management

By Executive Order of May 20, President Roosevelt established within the Office for Emergency Management of the Executive Office of the President the Office of Civilian Defense. Text of the order follows:

By virtue of the authority vested in me by the Constitution and statutes, and in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on September 8, 1939, to assure effective coordination of Federal relations with State and local governments engaged in defense activities, to provide for necessary cooperation with State and local governments in respect to measures for adequate protection of the civilian population in emergency periods, to facilitate constructive civilian participation in the defense program, and to sustain national morale, it is hereby ordered as follows:

1. There is established within the Office for Emergency Management of the Executive Office of the President the Office of Civilian Defense, at the head of which shall be a Director appointed by the President. The Director shall discharge and perform his responsibilities and duties under the direction and supervision of the President. The Director shall receive no salary or other remuneration for his services, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

Duties and responsibilities

2. Subject to such policies, directions, and regulations as the President may from time to time prescribe, and with such advice and assistance as may be necessary from the other departments and agencies of the Federal Government, and utilizing the operating services and facilities of such departments and agencies as far as possible, the Director shall perform and discharge the following described duties and responsibilities:

a. Serve as the center for the coordination of Federal civilian defense activities which involve relationships between the Federal Government and State and local governments, territories, insular possessions, and the District of Columbia (as hereinafter used in this Order the term "State and local" shall include territories, insular possessions, and the Dis-

trict of Columbia); establish and maintain contact with State and local governments and their defense agencies; and facilitate relationships between such units of government and the agencies of the Federal Government in respect to defense problems.

b. Keep informed of problems which arise from the impact of the industrial and military defense effort upon local communities, and take necessary steps to secure the cooperation of appropriate Federal departments and agencies in dealing with such problems and in meeting the emergency needs of such communities.

To help establish councils

c. Assist State and local governments in the establishment of State and local defense councils or other agencies designed to coordinate civilian defense activities.

d. With the assistance of the Board for Civilian Protection, described in paragraph 4 of this Order, study and plan measures designed to afford adequate protection of life and property in the event of emergency; and sponsor and carry out such civil defense programs, including the recruitment and training of civilian auxiliaries, and disseminate to appropriate officials of the Federal Government and State and local governments such information concerning civil defense measures as may be necessary to meet emergency needs.

e. With the assistance of the Volunteer Participation Committee, described in paragraph 5 of this Order, consider proposals, suggest plans, and promote activities designed to sustain the national morale and to provide opportunities for constructive civilian participation in the defense program; review and approve all civilian defense programs of Federal departments and agencies involving the use of volunteer services in order to assure unity and balance in the application of such programs; and assist State and local defense councils or other agencies in the organization of volunteer service units and in the development of their activities.

Clearing house for information

f. Maintain a clearing house of information on State and local defense activities in cooperation with appropriate Federal departments and agencies.

g. Review existing or proposed measures relating to or affecting State and local defense activities, and recommend such additional measures as may be necessary or desirable to assure adequate civilian defense.

h. Perform such other duties relating to participation in the defense program by State and local agencies as the President may from time to time prescribe.

3. The Director may provide for the internal organization and management of the Office of Civilian Defense. He shall obtain the President's approval for the establishment of the principal subdivisions of the Office and the appointment of the heads thereof.

Board for Civilian Protection

4. There shall be in the Office of Civilian Defense a Board for Civilian Protection (hereinafter referred to as the Board) to be composed of the Director as Chairman and a representative of each of the following departments and agencies of the Federal Government to be designated by the heads thereof: Department of War, Department of the Navy, Department of Justice, Federal Security Agency, and such others as the President may from time to time determine. In addition, each of the following organizations shall be invited to designate a representative to serve as a member of the Board:

- a. The Council of State Governments.
- b. The American Municipal Association.
- c. The United States Conference of Mayors.

The Board shall advise and assist in the formulation of civil defense programs and measures, appropriate to the varying needs of each part of the Nation, designed to afford adequate protection of life and property in the event of emergency. The members of this board shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

Volunteer Participation Committee

5. There shall be in the Office of Civilian Defense a Volunteer Participation Committee (hereinafter referred to as the Committee) consisting of the Director as Chairman and not more than 20 members, representatives of the various regions and interests of the Nation, to be appointed by the President. The Committee shall serve as an advisory and planning body in considering proposals and developing programs designed to sustain national morale and to provide op-

opportunities for constructive civilian participation in the defense effort. The members of the Committee shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

6. The Director is authorized, with the approval of the President, to appoint such additional advisory committees and subcommittees, with respect to State and local cooperation, national morale, civil defense planning, civilian participation, and related defense activities, as he may find necessary or desirable to assist him in the performance of his duties. Such advisory committees may include representatives from Federal departments and agencies, State and local governments, private organizations, and the public at large. The members of advisory committees shall serve as such without compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

7. Within the limitation of such funds as may be appropriated to the Office of Civilian Defense, or as may be allocated to it by the President through the Bureau of the Budget, the Director may employ necessary personnel and make provision for the necessary supplies, facilities, and services. However, the Office of Civilian Defense shall use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available to it through the Office for Emergency Management or other agencies of the Government.

FRANKLIN D. ROOSEVELT.

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General Gasser named to Board

Brigadier General Lorenzo D. Gasser, U. S. Army, retired, former Deputy Chief of Staff, has been recalled to active duty and designated as the representative of the War Department on the Board for Civilian Protection of the Office of Civilian Defense.

During the World War, General Gasser served in France with the Second Division at Chateau Thierry and with the First Army during the St. Mihiel and Meuse-Argonne offensives. For his World War services, he was awarded the Distinguished Service Medal and the Decoration of the French Legion of Honor.

CIVILIAN DEFENSE . . .

Civilians everywhere offer voluntary aid as LaGuardia takes charge of OCD

Organization of the Office of Civilian Defense, established by President Roosevelt May 20, is progressing under direction of Mayor F. H. LaGuardia of New York, its director.

Response throughout the country to the announcement of establishment of the Office was instantaneous. From every section, public officials of all ranks, from village and township officers to mayors and State officials, telegraphed Mayor LaGuardia offering their cooperation and expressing their readiness to begin working on their part in the program.

Coordination to be first task

At his first press conference, Mayor LaGuardia outlined broadly the form of organization the new office would take, as follows:

"It will take some time to get what I believe is the most important, immediate task; and that is to weave all the loose ends into a solid figure. At this time all over the country there are literally hundreds of organizations and groups and committees eager and anxious to go to work. Some of them have already started. We must coordinate all of these forces and assign them to specific duties. That is the very first task I shall attempt.

"A division of public safety"

"The Executive Order under which this office will operate is very clear and you are all familiar with it. You might say that it will be a division of public safety including fire and other protection of property and life. There will be, of course, the training and the preparation for health in hospitals, insofar as aid is needed, in the event of an attack.

"There will be the Engineering Division which will train and prepare the units for clearance of highways and streets in the event of an attack, the clearance of debris, and of course, the repair and maintenance of the water supply, gas, and electric service that might be damaged from attack.

"Then there will be the Division of Shelter and Food Supply, which will cover welfare, evacuation, housing, and food.

"As soon as I can get to it, there will be established an office for the giving of

notices. It will not be a publicity bureau; it will not be a bureau of information; the bureau will be a bureau of facts and figures. We will give you the facts and the figures and you will supply the imagination.

Holds women's work "very important"

"The work of the women will be very important. There will be several divisions of women's units. First aid, removal of the injured, care of children, and nutrition will be mostly commanded and carried out by women.

"We will have an office headquarters in each Corps Area. I believe there are nine Corps Areas. Each bureau division will, of course, be directed from the Corps Area for active work.

Those joining must accept discipline

"Now most of this work is purely voluntary. I would say that perhaps 80 percent of it would be purely voluntary work in the field, and I want to stress that. It will be voluntary. However, there will be discipline and divisions. Anyone who joins up will necessarily have to accept a policy that there will be strict and rigid discipline because, of course, we come into action only in times of emergency, and in such times, every individual must know exactly what his task or his job is and must be not only able to give orders, but able to obey orders.

"I can't give you very much information now as to the staff. I believe a very excellent officer will be designated by the Secretary of War as the War Department member on the Board provided for in paragraph 4 (of the Executive Order). The Secretary of War, of course, will make that appointment.

"As to the Washington staff, I might tell you that black tie and white tie are not necessary in their wardrobe. Nobody has to work here, but those who come will have to work."

Morrison offers aid

Secretary of State Cordell Hull transmitted to Mayor LaGuardia the following cable received from John G. Winant, American ambassador to England:

"This morning I called in at the Home Office to tell Herbert Morrison that you had just been appointed by the President as Director of the Office of Civilian Defense. He is the Minister in charge of Civilian Defense for England.

"He offered any assistance he might give and I shall forward to you memoranda on the experience and administrative practice that has been developed here which he is having prepared. He further asked me to convey the following message:

"Interested and delighted to see that you are to do my job in the United States. Good luck and success in this vital and essential field of preparedness in which I have been involved locally and centrally from the beginning! With kind regards, John G. Winant."

LaGuardia's reply

Mayor LaGuardia sent the following message to Secretary Hull:

"Thanks for transmission of message from Ambassador Winant and from Home Defense Minister Herbert Morrison. I would greatly appreciate transmission of the following replies to these two thoughtful messages:

"To Ambassador Winant: 'Thanks so much for your thoughtful message which brought cheer and encouragement.'

"To Defense Minister Herbert Morrison: 'Thanks for your thoughtful message. Everything we do here now is so tame in comparison with your magnificent work and the courage and fortitude of the people of England. Rest assured that I get my inspiration from you and will endeavor to do a good job. Cheerio!'"

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LaGuardia to speak in Philadelphia May 28

Director LaGuardia will make his first public address since he assumed office in Philadelphia the evening of May 28.

The address will be under the auspices of the Citizens' Committee.

Mayor LaGuardia will be introduced by William C. Bullitt, a native Philadelphian and former American Ambassador to France. Preceding the mayor's address, Mr. Bullitt will describe the condition of the civil population of France at the time of the Nazi invasion.

The meeting will be held at Convention Hall, and will be broadcast over a national radio hookup. Irving Berlin, the author of the song "God Bless America," will be among a long list of performers.

Status of stock piles for defense reviewed; shipping conditions may hamper program

Stock piles of many raw materials vital to national defense were acquired during the past year, an OPM Production Division review disclosed May 26, although the present inadequacy of shipping facilities probably will prevent the accumulation of reserves in the amounts originally planned.

Shortages in raw materials can be minimized by four major methods. Defense agencies have resorted to all of them in a determined effort to provide sufficient supplies for any emergency. The four methods are:

1. Increase domestic production if possible.
2. Find new sources of supply close enough to home to insure delivery.
3. Find and develop substitutes.
4. Reclaim and use materials that normally are discarded.

Status of principal items

The status of some of the principal items near the close of the year was, in brief, as follows:

Chromite (ore used in making chromium).—Stock pile sufficient to supply industry for more than a year at current rate of consumption. Much more had been ordered, and domestic production is being encouraged.

Copper (shells and other military).—Orders of considerable quantities have been placed with Chile, and delivery of first 100,000 tons being completed.

Graphite (military uses principally for foundry and crucible work, paints, and pigments, electrical machine brushes, electrodes and dry batteries).—Stock pile adequate to supply industry nearly a year at present rate of consumption.

Manganese for 16 months

Manganese (used in iron and steel manufacturing).—Stock pile sufficient to meet industrial needs for 16 months. Probable domestic production, plus Cuban deliveries, could supply industry through 1943.

Mercury (used in the manufacture of a compound for high explosives, drugs, and antifouling paint for ship bottoms).—Domestic output has risen to record heights. Stock pile adequate to supply industry for more than half a year.

Mica (used in radio and electrical equipment manufacturing).—Stock pile enough to supply industry for more than a year. New sources in Western Hemisphere being investigated.

Nickel (used as an alloy in steel to increase toughness).—Current supplies are low, but most of world supply is in Canada and defense requirements are assured.

Quartz crystal (principal use is in radio frequency control).—Stock pile is sufficient for some months and growing.

Tin ordered

Tin (used in the manufacture of automobiles, gun metals, etc.).—Present stock will supply industry more than a year. Large tonnage ordered from China. Bolivia to deliver 18,000 tons a year for 5 years.

Tungsten (used to give alloy steels high tension characteristics).—Stocks are low, largely due to an interruption of imports while the Burma Road was closed. Domestic production being stepped up so that peacetime needs can be met without imports. Substitutes are being studied.

Zinc (used in plating storage batteries, for manufacturing brass, and galvanizing metals).—Shortage being met by partial priority control and expansion of existing plants. Domestic supply could be supplemented by purchases from other nations of the Western Hemisphere.

Rubber.—Record imports have built a sufficient reserve for about a year. Exchange of U. S. cotton for British rubber helped build stock. Synthetic production increasing but still insignificant. Conservation and increased reclamation being studied which, with moderate application, would stretch supply for about a year and a half.

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REA contribution described

Harry Slattery, Rural Electrification Administrator, has pointed out that during the past year, REA activities have been directed intensively toward measures to strengthen national defense. "REA was instrumental in getting electricity to Camp Shelby, Miss., largest Army camp in the United States, in record time and at a substantial saving to the Government," he said. Electricity has been made available to hundreds of small factories and mines producing essential defense materials.

PRODUCTION . . .

Knudsen tells of negotiations with auto maker for complete heavy bombers

At a press conference May 21, Director General William S. Knudsen, Office of Production Management, discussed the airplane building program and revealed negotiations with the Ford Automobile Company for construction of complete heavy bombers. Excerpts follow:

Q. What about airplanes, Mr. Knudsen? How are these four bomber assembly plants getting along? Have you any statement on the progress of those?

A. I think the Kansas City plant is perhaps the farthest ahead; Omaha is second; Tulsa and Fort Worth trying to get the steel pushed in to them.

Q. You say Kansas City is the farthest ahead? Is it ahead of schedule, or up to schedule?

A. As I see the picture of it, it is pretty good.

Q. When are they due to be completed?

A. The Kansas City plant I think is due in October, and Omaha I think is due in December or January. The other two I haven't anything on. It is a little too early.

Q. Are you having difficulty getting steel for them?

A. No, but we have to get priority. We have to get it through.

Q. That has been done, has it?

A. Yes, we have got it.

Q. Do you contemplate a further substantial increase in military aircraft production this month?

A. It is a little early in the month.

Q. Does it look like we are going to get it?

A. Yes; it looks as if we are going to do as well as last month, maybe a little better.

The aluminum demand

Q. There have been stories printed, Mr. Knudsen, that this new 4-engine bomber program would result in a tremendous demand for aluminum, that it is going to require the Government to go into the aluminum business, build plants and own plants.

A. We will have to have more aluminum.

Q. How much? Six hundred million?

A. Perhaps. I don't know.

Q. What would that bring the total annual output to? Can you tell us?

A. A billion six.

Q. How is that divided? The Aluminum Company now only has 700 million, Reynolds 100 million, whereas if we had 600 million—

A. We have another source, but it is a secret, I can't tell you about that now.

The Ford negotiations

Q. Mr. Sorensen has been saying that Ford will produce about 270 bombers, and he seems to be talking about planes, though I don't believe the Government has announced that Martin will build engines and parts.

Q. Has Ford received a contract for complete bombers?

A. Ford has a contract for bomber parts and we are negotiating another one.

Q. It isn't settled yet?

A. No.

Q. For completed planes?

A. Yes. Built at Ypsilanti, for assembly.

Q. Has Ford indicated how many bombers he might be able to build?

A. No.

Q. Is that for the 2-motored bombers or the heavy bombers?

A. Four-motored.

Q. Can some of the other automobile companies build completed bombers too?

A. You know the set-up. Martin has tried out Hudson and Goodyear, North American has tried out General Motors, Douglas has tried out with somebody and Briggs.

Q. Under which the parts go to these mid-Western assembly plants?

A. Yes.

Q. Is there any talk of General Motors going into the completed plant business like Ford is thinking?

A. No.

Thinks contract will be arrived at soon

Q. How far along are these Ford negotiations? Do you think a contract will be arrived at shortly?

A. I think so.

Q. Do they build just bombers under this contract?

A. Yes.

Q. No other types? Pursuit planes?

Mr. Horton (interpolating): No other types.

A. No, bombers.

Q. In what section of the country will these plants that Ford contemplates building be placed? Will it be in the Detroit area?

A. I don't know yet. He is supplying the Fort Worth and Tulsa plants with parts. That's the first job he's got on his hands.

Q. Will that be the Consolidated Bomber?

A. Yes.

Q. That he would complete?

A. B-24.

Q. Have you heard anything on the B-19?

A. Not yet.

Parts and companies

Q. Is Ford now exclusively producing parts for Consolidated at Tulsa and Fort Worth? Are they both companies?

A. Say that again.

Q. Are they both Consolidated assembly plants?

A. One is Douglas, and one is Consolidated.

Q. Which is which?

A. The Tulsa is Douglas and Fort Worth is Consolidated.

Q. General Motors is supplying Martin?

A. North American.

Q. That's Kansas City?

A. That's at Dallas and Kansas City; that's right.

Q. Who is supplying that Omaha Martin plant?

A. That's Chrysler, Goodyear, and Hudson.

Q. Are they going to have more of these assembly plants?

A. We haven't figured on any more assembly plants right now. We want to see what we can get out on the ones we have started.

New contract to be for heavy bombers

Q. Only two of those are able to assemble the heavy bombers?

A. You see, we have some heavy bombers in the other plants—Consolidated plant at San Diego, you have some heavy bombers at Boeing in Seattle and you have some heavy bombers at Douglas at Santa Monica.

Q. This new contract with Ford will be the heavy bombers?

A. Yes.

Q. This Ford thing is the speed-up the President asked for in his memorandum?

A. Of course, we are all speeding up. This is everybody's fight. We should all get in. They are all speeding up present plans and the assembly plants, of course, will help.

Q. Ford is the brand new facility that is being brought in to accelerate the 4-engine program the President asked for?

A. The Ypsilanti plant that Ford set up was to make minor assembly and his Rouge plant is making some of the parts, and that plant would be expanded to make some complete bombers. The Rouge plant makes some of the parts.

Q. Which one would be the one that will assemble the whole thing?

A. Ypsilanti.

Q. That is now under construction?

A. That's right.

Q. That wouldn't keep him from turning out parts for these other plants out West?

A. I should hope not.

Sections by end of year

Q. How soon do you think Ford could start producing things? By the end of the year?

A. Yes. He might not produce complete bombers, but he will certainly have sections for the other plants by the end of the year. Boeing is going to take on some more. Part of Lockheed, the Vega plant, is going to take on some more.

Q. Going to take on bombers?

A. Yes.

Q. What type would they make?

A. It might be the B-17. I don't know. They are all heavy bombers.

Q. Boeing at Seattle?

A. Yes.

Q. Where is Lockheed?

A. It's at Vega, Calif. No, it is at Burbank, Calif. Douglas is going to take on some.

Q. Four-engine?

A. Yes.

Q. What plane?

Other contracts

A. Douglas, the Santa Monica plant.

Q. The 4-engine Douglas plane?

A. Yes.

Q. What is the B-17?

A. I don't know.

Q. Are these the names of the plants that are going to increase production?

A. I didn't quite get that.

Mr. HORTON (interpolating): They are taking on additional bombers.

Q. These and Ford are the only new production bombers you have scheduled?

A. That's right.

Q. They have already taken more bombers on? You aren't negotiating

with them now like you are with Ford?

A. We contract through a regular routine. The contracts have not been signed and completed. The letters are being sent, so the job is going right along.

Q. Douglas doesn't have a 4-engine contract?

A. They have commercial planes.

Q. The letter of intent has already gone to Ford, too?

A. Yes, sir.

Q. Does that mean the DC-4 will not be built as a commercial transport?

A. No.

Q. Will it be built?

A. Yes.

Q. Will it be available for air lines?

A. It depends entirely on the plans of the Army and Navy.

Effect on two-motored production

Q. What type of Lockheed are they going to build?

A. They are going to work in with Douglas.

Q. The two assembly plants call for 1,200 heavy bombers under the so-called Knudsen Plan, as they call it up on the Hill?

A. 2,400 two-motor. Of course, 500 a month is going to affect the quantity.

Q. All 4-motors?

A. Yes.

Q. It kills this 2,400 twin-engine program?

A. Its operation wouldn't stop the 2,400 twin-engine bombers.

Q. In other words, it is an increase of 400 a month over the original program?

A. No, no. Your question will be answered in 2 weeks.

Q. Is that all on the bombers, Mr. Knudsen?

A. I hope it is. I want to be sure you got it straight now.

Q. The 2,400 twin engine is still being produced?

A. The 2,400 twin engine is still in the picture.

Q. Will the 2-engine program be stepped up?

A. We haven't any.

Q. But the 1,200 will? That's the 1,200 four-engine? When will that be completed?

A. Next year.

Q. By fall?

A. Yes.

Q. How about the 1,200 next year?

A. Yes.

Question on increased program

Q. There have been some stories printed, and we got some figures that we

had about 44,000 aircraft on order. That's all kinds and some people have been falking about boosting the program on order to 80,000. Is that in the works?

A. Well, of course, I can't tell you that until Congress gives us the necessary funds. I can't forecast that. There will be plenty of planes on order.

Q. A decided increase of over 44,000 is what you are hoping for, provided Congress gives the money?

A. I imagine there will be plenty more.

Q. You wouldn't make a rough estimate, would you?

A. No, sir.

Q. When you get these new facilities that you have been talking about in the heavy bomber field, will that bring it anywhere near what the President wants when they are all working?

A. I guess so.

Three added to staff by Conservation Section

Three additions to the staff of the Conservation Section, Production Division, of the OPM, were announced May 21 by Robert E. McConnell, chief of the section.

The appointees are E. J. Hergenroether, formerly metallurgist in the development and research division of the International Nickel Co., Inc.; Frank Ayer, who since leaving northern Rhodesia last December has been consulting engineer for the Roan Antelope Copper Mines, Ltd., and the Mufulira Copper Mines, Ltd.; and James S. Earle, formerly assistant metallurgist of the Federated Metals Division of the American Smelting & Refining Co.

Steps to Conserve Supplies

Mr. Hergenroether's chief assignment is to encourage and assist industry to place in practice many of the suggestions made by an advisory committee of the National Academy of Sciences. This committee has been established at the request of the Office of Production Management to suggest substitutes for scarce materials vital to defense and to recommend other methods of conserving supplies of such metals.

Mr. Ayer will study replacements for essential supplies from which industry might be cut off by shortages or shipping difficulties.

Mr. Earle, a native of El Paso, Tex., has been placed in charge of the reclamation unit of the Conservation Section.

PRICES AND CIVILIAN SUPPLIES . . .

Ceiling imposed on combed cotton yarn, 20 percent below recent quotations

A schedule fixing ceiling prices for various grades of combed cotton yarn was issued May 24 by Leon Henderson, Administrator, Office of Price Administration and Civilian Supply.

Combed cotton yarn is used primarily in the manufacture of textiles, underwear, hosiery, and other apparel requiring a high grade of yarn. The ceilings established for this product are expected to be reflected in the prices not only for other cotton textiles, but also for finished products.

Ceiling for 30s is 42 cents

Ceilings fixed in the schedule are about 20 percent below those being quoted recently in the industry. The ceiling price for 30s single ply, the largest volume grade, is 42 cents, which includes an allowance for recent increases in raw material costs. This compares with recent quotations of 52 cents. Ceiling prices for other grades are keyed to the price for 30s single ply, and bear the

same relation as normally exists in the trade for the various grades.

The price ceilings apply to all deliveries under old contracts after Monday, May 26, the effective date of the schedule, as well as to new contracts. There are no geographical differentials. However, sales of special qualities of yarn may be made at premiums sufficient to cover higher raw material and manufacturing costs.

Possible hardships to be studied

In issuing the schedule Mr. Henderson stated that a cost study would be undertaken promptly to determine whether the schedule works such hardship on marginal firms as to threaten a curtailment of production. The ceiling prices, while considerably lower than the inflated level reached in recent weeks, are still well above averages for recent years. During 1938 and the first half of 1939 the price for 30s single ply fluctuated around 30 cents.

Oil company representatives confer with OPACS officials on prices

Representatives of leading oil companies operating in the New England and Mid-Atlantic areas held on May 23 a general discussion on recent price trends for gasoline, industrial fuel oil, and lubricants with officials of the OPACS.

OPACS officials have been concerned over recent price increases for such products along the eastern seaboard.

Agree to OPACS request

It was the consensus of the meeting, with some reservations, that no further substantial increases in gasoline prices are called for unless basic cost conditions change. All refiners and marketers present agreed to the request made by OPACS officials not to institute further increases of a substantial character on gasoline prices without prior consultation with

Leon Henderson, Administrator of OPACS.

It was insisted by industry representatives that increases to date have been due to cleaning up of distress gasoline stocks and increases in costs.

Crude oil conference planned

It was stated by OPACS officials that a conference with crude oil producers and buyers will be held in the near future to consider the price situation in that sector of the industry.

The meeting was conducted by Dr. J. K. Galbraith, head of the Price Division, and Quinn Shaughnessy, price executive in charge of the fuel section of the Price Division. Twenty-two companies were represented.

Boost in pepper margin tentatively agreed on

An increase in the margin required to operate in pepper futures on the New York Produce Exchange from \$350 per contract to \$1,000 per contract was proposed by Dr. J. K. Galbraith, head of the Price Division of the Office of Price Administration and Civilian Supply at a conference May 21 with Exchange representatives.

Speculation believed cause of price rise

Purpose of the proposed increase in margin requirements is to cut down excessive speculative activity, in this market. Such activity is believed responsible for much of the recent increase in pepper futures prices. The new margin requirements will be retroactive after a 10-day grace period on existing contracts and would apply to all new contracts.

Spokesmen for the Exchange agreed to the proposed increase in margin requirements, subject to confirmation by the Board of Governors.

OPACS officials drew attention to the fact that the supply of pepper in this country at present is equal to at least 2½ years' consumption. For this reason it was stated by OPACS spokesmen that the present shipping situation will not be considered justification for price increases.

Dr. Galbraith said it is believed that much of the pepper in this country is held by a pool of speculators which began accumulating the commodity some years ago. He informed the Exchange group that if the actual pepper failed to come on the market at reasonable prices it would be necessary to impose a price ceiling.

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Exchange spokesmen agree to boost in coffee margin

Representatives of the New York Coffee and Sugar Exchange agreed at a meeting May 23 with officials of the OPACS to increase margin requirements on coffee contracts for outside speculative interests to \$625 per contract from the present level of \$250.

This action is subject to confirmation by Exchange officials.

Exchange representatives agree to rubber futures margin

An agreement to establish original margin requirements of \$1,200 per contract for rubber futures traded on the Commodity Exchange, Inc., was reached by representatives of the Exchange at a conference with Dr. J. K. Galbraith and other OPACS officials May 23.

The agreement is subject to confirmation by the governors of the Exchange. It was indicated that this will be a formality. The Exchange spokesmen stated that action of this nature had been contemplated by their organization before the meeting was called.

Not applied to hedging operations

The margin requirement of \$1,200 will be applied only to speculative transactions and not to hedging operations by the trade in accordance with definitions and regulations to be worked out by the Exchange and OPACS officials. Present regulations do not require any original margin but commission houses currently require margins of around \$500 per contract.

The purpose of fixing margin requirements is to avert speculative activity by nontrade interests. OPACS officials pointed out that the volume of speculative activity in this particular market has not been causing undue concern.

Cocoa exchange considers ways to reduce speculation

Representatives of the New York Cocoa Exchange agreed at a meeting with officials of the Office of Price Administration and Civilian Supply, May 21, to take up with directors of the Exchange measures for the reduction of speculative activity responsible in part for recent rises in cocoa prices. These measures were expected to include shortening trading hours, modification of present practices in solicitation of customers, and revision of market letters issued by members of the Exchange. The Exchange representatives were to report to OPACS on such proposals in a few days.

The Exchange representatives were informed that OPACS is considering asking for a substantial increase in margin requirements on speculative accounts so as to limit such activity. Present margin requirements are \$300 per contract. It was emphasized that self-policing of the Exchange is necessary if its normal functions are not to be impaired.

MEDIATION BOARD . . .

Board urges fir investigation, asks 12,000 to resume work pending findings

The National Defense Mediation Board last week (May 18-25) issued public recommendations in the case of the Twin District Council Logging and Sawmill Operators, reopened hearings in bituminous coal, appointed a special agent in the case of the Minneapolis Honeywell Regulator Co., and received certification of two new cases.

In the Twin District Council case the Board took an unprecedented step when it recommended the appointment of a commission to investigate the entire Douglas Fir logging and sawmill industry in the States of Washington and Oregon. This investigation was part of a plan outlined by C. A. Dykstra, chairman of the Board and of the panel which heard the case. It was contained in the public recommendations of the Board which were agreed to unanimously by all members of the panel hearing the case. In addition to Mr. Dykstra, they were Clinton Golden and John Brophy representing labor, and Cy Ching and Roger Lapham representing employers.

Asks return to work meanwhile

In its recommendations the Board asked 12,000 striking members of the International Woodworkers of America, CIO, to return to work on the basis of a 4-point proposal pending findings of fact by the commission. The two most important points were a basic wage increase amounting to 7½¢ an hour and a union maintenance agreement under which the operators would recommend union membership to all new employees.

Under the terms of the Board's recommendations any further wage increases recommended as a result of the commission's study would be made retroactive to the date of resumption of operations. The representatives of the 52 operators present at the meetings with the panel said that they would urge acceptance of the Board's recommendations by the operators. The union representatives were to offer the recommendations to a meeting scheduled for Monday, May 26.

Soft coal meetings

Meetings in bituminous coal were opened May 23. The Board took jurisdiction of the dispute again when negotiations between the United Mine Work-

ers and the southern operators broke down in New York last week and a strike was threatened. At the request of the Board, the United Mine Workers have agreed to maintain the status quo pending the results of the Board's proceedings.

After a day and a half of hearings, William H. Davis, vice chairman of the Board and chairman of the panel hearing the case, announced that the Board had moved into the third stage of its procedure and was engaged in investigating the facts and preparing findings and recommendations.

In accordance with the agreement reached settling the dispute between the Minneapolis Honeywell Regulator Co. and the United Electrical, Radio and Machine Workers of America, CIO, the Board on May 23 appointed Edwin E. Witte of the University of Wisconsin as special agent to investigate the lay-off of one man, and certain wage differences. The settlement agreement, which was reached in Washington May 6 provided for the appointment of a special agent in case future disputes could not be resolved by agreement.

Torpedo strike postponed

The Board obtained an agreement to postpone a threatened strike which would affect \$30,000,000 worth of defense work in the first new case received last week. This was the dispute between the United Electrical, Radio and Machine Workers, CIO, and the E. W. Bliss Co., whose plant in Toledo, Ohio, employs 1,500 men making power presses, torpedoes and heavy machinery. The issues include the establishment of minimum rates for skilled and semiskilled workers. May 27 was set for the date of the hearing and the workers postponed their strike deadline until May 28.

The second new case is a threatened strike of the United Automobile Workers, CIO, at the Inglewood, Calif., plant of North American Aviation, Inc. Eleven thousand workers are making bombers, pursuit planes, and advanced training planes. Issues are wages, hours, and some form of union shop. A strike is threatened for May 28 and the Board set May 27 for a hearing and requested that there be no interruption of production in the meantime.

LABOR . . .

Hillman calls for "action now" to save democracy, urges labor-management accord

Calling for "vigorous action—now!" to save democracy, Associate Director General Sidney Hillman, OPM, on May 21 asserted that labor-management accord must be at the center of the defense effort, and outlined the "ingredients" of a "sound labor policy for national defense." He spoke to the National Industrial Conference Board in New York. Excerpts follow:

Democracy now faces its hour of decision. The forces of totalitarianism are striving to turn back the clock toward an old tyranny and despotism—and to undo all the progress and freedom which democracy has achieved.

We cannot, we must not, slow down the pace of our support to Britain. We dare not run the risk of being left alone in a hostile world to face a show-down struggle between two ways of life. The battle of Britain is ours. The conflict between totalitarianism and democracy is ours.

The triumph of Hitler could not, in the nature of events, leave us unaffected. If he is victorious, New York City cannot be assured that it will not become a second London. We cannot wait until our whole seaboard becomes a line of flaming cities.

We are all in this together

We are, all of us, in this together. Everything important to us is now at stake. There is no group, no creed, no section but has a vital concern in the outcome of this world-shaking conflict. Equally involved are the freedom of labor, the freedom of business, and the freedom of Government. If democracy falls, labor and business both become enslaved. All who are aware of the great transcendent issues before us realize that all this means vigorous action—now!

To meet any military dangers is the allotted task of the Army and Navy. We of industry—including both management and labor—have our own special responsibility, which is to turn out the materials of defense. The special significance of our task is that this is a war between the workshops of democracy and the workshops of dictatorship. Ours is in fact a double obligation: First to build ships, planes, tanks, and guns as swiftly and abundantly as we can. Our second

obligation is to accomplish all this by cooperative and democratic methods.

In concrete terms, this means that we must convert quickly and efficiently into the instruments of war the 30 billion dollars that Congress has appropriated or authorized for defense. An index to the magnitude of this undertaking, I might mention in passing, to convert this sum into instruments of defense will alone require the equivalent of a full year's work for 16 million people.

Yet this is only a beginning. The present program involves a proposed expenditure of 42 billions. Further and vaster sums will probably have to be expended, because our efforts will be determined *not by ourselves* but by the totalitarian powers. It is estimated that they are spending more than half their yearly income for armaments.

A tremendous obligation

Upon our business and industrial structure, as upon our labor skills and energies, therefore, now rests a *tremendous* obligation—that of making the production methods of democracy more powerful than those of any regimented or compulsory system. The need is plain—our course of action should be equally plain. For in this emergency—management, labor, and Government must cooperate to a greater extent than ever before. In mine, in factory, in shipyard, everything must be done to bring out the fullest contribution on the part of everyone—worker, foreman, straw boss, superintendent, plant manager, and chairman of the board.

We can out-produce the totalitarians, only if we synchronize and coordinate all our activities more completely than ever before. Industry must abandon any fear of expansion. Labor must abandon any fear of training additional workers to meet the additional problems presented by our defense program.

We must all of us see to it that every method of cooperation that exists be used. Where no machinery for cooperation exists, it must be created. We can effectively achieve this cooperation only when democracy is made more real, more alive, and more actual to every one of us. That is why in all our undertakings, we

have urged that we preserve and energize the social gains of recent years.

Sense of participation

We have a twofold approach to the problem of defense—production and its manpower requirements. On the one hand, we urge that more and more people be employed in the defense effort. On the other hand, the *very employment* of these added workers increases and intensifies the sense of participation by our people in this struggle against dictatorships and thus builds up the indispensable quality of national morale.

Because we are late, and because Hitler has fortified himself with staggering resources, and because of the crucial character of the issues, we must have an all-out effort for defense. Nothing less will do. No compromise will do. This means all-out aid to Britain. It means all-out production. We should not wait for bombings before we do what Great Britain has had to do.

All this demands national unity, a singleness of purpose, a swift, hard, forward drive toward the goal of national defense. At the center of this effort must be accord between labor and management. This can be achieved only when cooperation, as a reality, not as lip service, prevails. This, in turn, depends upon mutual trust and confidence which form the balance wheel of constructive management-labor relations. Naturally, this approach calls for more patience, more tolerance, more vision, and more understanding. And yet its rewards more than justify this extra effort. To create that atmosphere of mutual trust and confidence has been the mainspring of our own activity.

Must eliminate prejudices

My own experience of 30 years in the labor movement confirms the validity of this point of view. Let me assure you, there are no insoluble problems in management-labor relations. There are only some prejudices and preconceptions which *must* be eliminated and *can* be eliminated as soon as we have that mutual trust which must animate any sound labor policy. Without it, there cannot be a true meeting of minds.

Some people may be bothered about closed shops, union shops, wage and hour acts, and other labor laws and regulations. Yet in my experience, these become troublesome questions, only when labor and management lack confidence

in one another. When understanding is present, all such problems can be readily and satisfactorily solved.

The emergency which we are now facing makes it imperative that any differences between management and labor not be exaggerated. We cannot have either a productive or a unified people when we spend our time in magnifying points of disagreement. Genuine cooperation demands that we subordinate any tendencies toward faultfinding. In our defense program the most efficient results can be obtained only when the common interest and the common welfare are placed above partisan considerations.

Cooperation can be translated into sound labor relations only when labor problems are treated not as a nuisance but as something worthy of serious study and consideration. Great advances can be made in this direction when competent, intelligent executives, experienced in these matters, are assigned the task of directing labor relations in American industries. Their role must be considered at least as important as that, for example, of sales managers or financial officers. If such executives are given the authority which corresponds to the importance of the job to be done, the cause of national defense will be immensely put forward.

Ingredients of sound policy

I can think of no greater contribution that industry can make during the present emergency than to translate this kind of policy into day-by-day action. If that is done, it will help to activate workers with an enthusiasm which will raise output to levels far higher than anything our American economy has heretofore known.

I say further that this approach is the basis for a sound labor policy for national defense. What are the other ingredients of this policy? First of all is a wholehearted acceptance by employers of labor's right to bargain collectively through representatives of its own choosing. In this very process, the worker acquires a sense of greater responsibility and a more definite and more intimate participation in the work to be done.

Second, we must have wage scales that bear a just relationship to the earning power of industry and assure a fair standard of living.

Third, we must have the kind of workweek that will serve to enlarge the opportunity for employment to those who

are still without jobs, and will prevent the many industrial accidents, delays, and decreases in output that characterize the overtired worker.

Fourth, proper physical working conditions must be maintained within the plant itself.

Fifth, discrimination against any workers because of race, creed, or color must be eliminated. Any such practice would be especially unfortunate at the present time when we are seeking both to extend and energize the practical working of democracy as a means to quicken our all-out defense effort.

Must foster unity

To carry out such principles into concrete actuality will not prove to be difficult when mutual trust and a sense of common interest between employer and employee are more fully developed and maintained.

When this philosophy of labor relations becomes the day-by-day practice through American industry, it will buttress up the democratic process and thereby help us to defeat Hitler which is our first job. I am certain that the ways of democracy and the determination of a free people to defend their freedom will prevail over the forces of barbarism. In this aim, there is a fundamental unity of purpose which we must foster at all times, if we are to build enough, to produce enough, and to train enough.

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Hutson named to Joint Food Committee

J. B. Hutson, director of the Office of Agricultural Defense Relations in the United States Department of Agriculture, has been named a member of the Joint Anglo-American Food Committee. The committee was formed early in May as an advisory group to consider how United States food resources can best be used to aid Britain and her Allies, and to frame general programs of food supply under provisions of the Lend-Lease Act.

Other members of the committee are Secretary of Agriculture Claude R. Wickard, chairman; R. H. Brand, Sir Quintin Hill, and M. I. Hutton, of the British Food Mission; Surg. Gen. Thomas Parran, of the United States Public Health Service, and Milo Perkins and L. A. Wheeler of the Department of Agriculture.

Defense job training chart widely distributed

The United States Office of Education's "Defense Job Training" chart has been widely distributed in the United States and Canada since its publication a month ago.

The chart lists 26 training programs offered to civilians through Federal agencies and includes such information as wages in training and on the job, persons eligible, length of courses, where the courses are offered, where to apply, and jobs for which training qualifies.

Already more than 100,000 copies are in circulation, and the Government Printing Office is receiving more than 300 requests a day. The United States Office of Education sent copies to school superintendents and principals, to State education officials, and to vocational guidance and vocational education officials.

The Office of Government Reports has distributed copies to all first- and second-class post offices to be displayed. The Social Security Board has sent copies to 4,500 State Employment Service branch offices. The Work Projects Administration has mailed 3,000 copies to its field offices.

The Canadian Legation in Washington wrote that the chart "would be of great interest to the Canadian Government."

Copies of the "Defense Job Training" chart may be ordered from the Superintendent of Documents, Government Printing Office, Washington, D. C., for 5 cents a copy. Quantity orders of 100 copies are \$2; 1,000 copies, \$15.

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Public will be asked to give blood to Army and Navy

Civilians on the home front can fill a new and important role in the national defense program by donating blood for transfusions to produce 200,000 half-pint units of dried blood plasma required by the Army and Navy during the fiscal year beginning July 1, 1941, the War Department announced May 23.

The American Red Cross and the Division of Medical Sciences of the National Research Council share the responsibility of directing the program, while the Red Cross also enrolls the volunteer donors and provides the personnel and equipment to collect the blood.

PRIORITIES . . .

Martin asks purchasing agents to help keep down inventories of scarce materials

The role that purchasing agents can play in keeping inventories down in the interest of national defense was described by John H. Martin, Assistant to the Director of Policy, Division of Priorities, OPM, at a meeting of the Purchasing Agents' Association of New York, May 20, in New York City. Excerpts from Mr. Martin's speech follow:

Anyone in America who has an intimate connection with the national defense program does not have to be told that there are very serious shortages in a number of important raw materials which are essential for the production of airplanes, guns, tanks, and all the other thousands of things which this Nation needs.

Further controls becoming necessary

During the last few weeks, however, those of us in Washington in close touch with the situation have become greatly concerned over the fact that in some crucial areas these shortages are becoming even more severe. As this situation grows more serious, it is becoming necessary for us to impose further controls.

"Honor system" for industry

All of you know that the Priorities Division recently imposed a mild form of inventory control on 16 metals and classes of metals, including such important ones as iron and steel. Despite the broad scope of this order, it is very simple in form, and in fact, amounts to a kind of "honor system" for industry.

The point of the order is that we want to keep industrial inventories to a point which will permit manufacturers to meet their delivery dates efficiently and do not want inventories to go beyond that point.

Keep inventories down

I want to ask you men to do your part in holding inventories down. Insofar as we can do this, the present form of mild control will tend to ease the situation. Insofar as we do not get co-operation, additional controls will have to be imposed more rapidly. Incidentally, I am not at all sure that it is the most advisable thing for an individual concern to pile up inventory, for several reasons. First, so far as speculative buying is concerned, there is the danger that prices may be fixed, thus involving considerable

losses to those who have bought in the hope of making a speculative profit. And, second, we expect to do more and more work on the total inventory picture, for the purpose of discovering unnecessarily large inventories for whatever action is necessary.

But all of us know of cases in which firms have demanded delivery of products long before these products were actually needed. Perhaps it is natural that a businessman who is afraid of what may happen will want to protect himself by getting deliveries early. But whenever a defense product is demanded far in advance of the date necessary, it means that productive facilities and manpower and time and space have all been consumed unnecessarily.

It would be the part of wisdom for you to try to develop adequate substitutes before you are forced to make sudden changes without adequate preparations. Try to make broad jumps in your substitution. Be sure that you do not adopt as a substitute some metal or product which is only going to be available in sufficient quantities for a relatively short time.

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Inventory control interpretations issued

Director Stettinius released May 20 a series of interpretations and instructions relating to General Metals Order No. 1 issued on May 1, 1941.

The General Metals Order No. 1 provides for a form of inventory control on 16 metals and classes of metals.

The interpretations and instructions issued May 20 explain how the order applies to such operations as exports, imports, delivery of metals to "consignees," acquisition of seasonal inventories, transactions carried on by commission men, detinners, warehouse and wholesale distributors, customers of metals in "semi-processed or premanufacturing form," and the filing of required reports.

The interpretations and instructions also list several metals and classes of metals which are excluded from the order at present.

Priorities Division revises organization

Several organizational changes in the Division of Priorities, OPM, and the addition of key personnel to the staff were announced May 19 by Priorities Director E. R. Stettinius, Jr.

One of the major changes involves the creation of four assistant deputy directors' offices.

L. E. Scriven and E. C. Laird, Jr., will staff one of these offices and will be in charge of the Division's field work.

Matthiessen assistant for Operations

C. H. Matthiessen, Jr., will be assistant deputy director for Operations.

Joseph L. Overlock will serve as an assistant deputy director in charge of blanket and project preference ratings, and will be assisted by A. L. Williams.

E. A. Locke, Jr., will be an assistant deputy director in charge of liaison with other Government agencies and with Great Britain.

Mr. Stettinius also announced that the assistant director in charge of Operations will hereafter be known as the Deputy Director and will supervise the work carried on by the four assistant deputies. John P. Gregg, formerly of the State Department, will be an assistant to the Deputy Director.

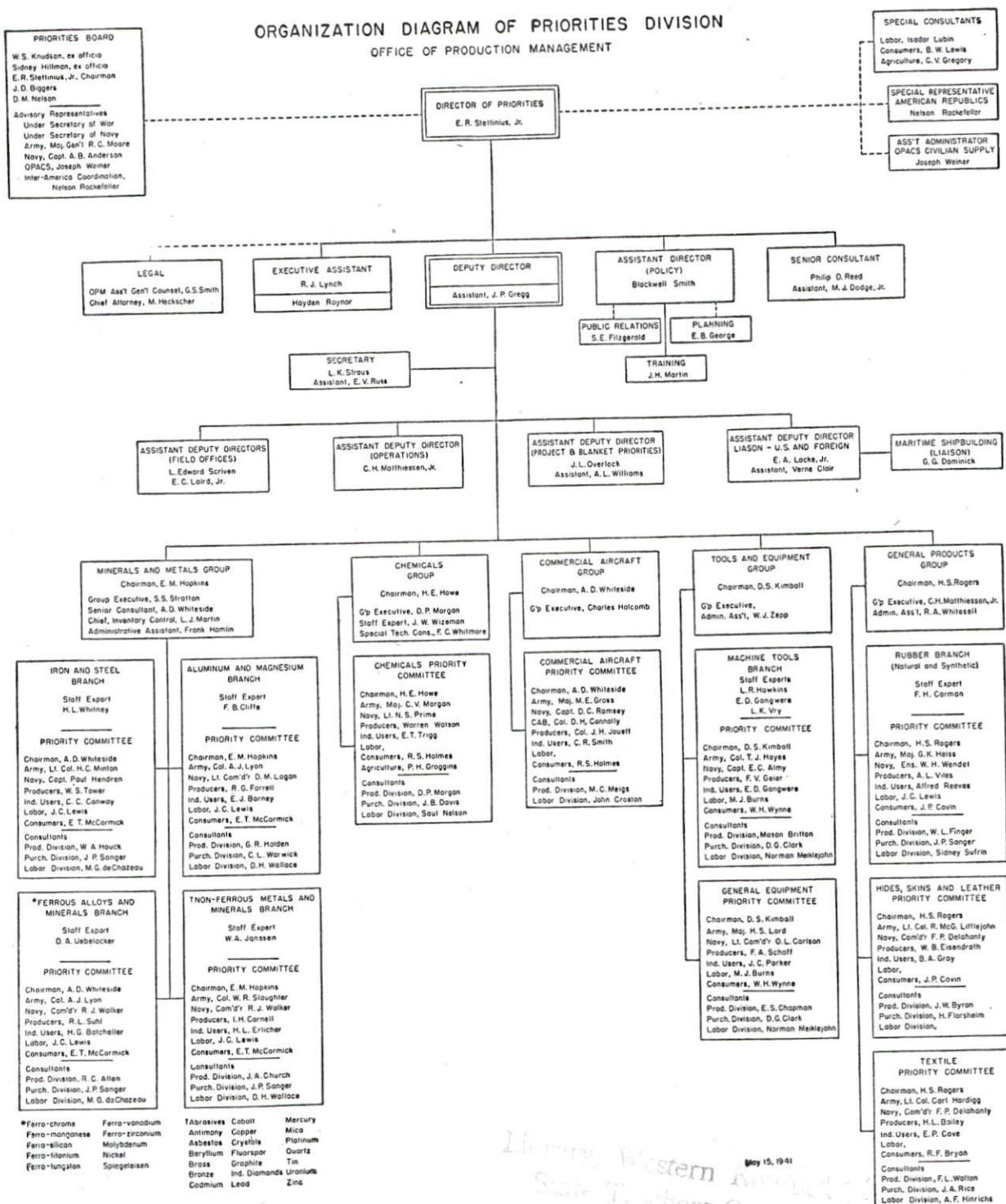
Martin to train personnel

John H. Martin, who has been serving as assistant to Blackwell Smith, assistant director in charge of policy, will continue in that post and also will take charge of the training of new personnel in the Division.

A Priority Committee on Textiles has been created. Dr. H. S. Rogers, chairman of the general products group, will be chairman of this committee.

The new organization chart will show the addition of Nelson Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, as an advisory representative to the Priorities Board and also as a special adviser to Mr. Stettinius on Latin American problems. It will also show the appointment of Joseph Weiner, assistant administrator of the Office of Price Administration and Civilian Supply, who will represent that office in its relations with the Priorities Division in the field of civilian supply.

ORGANIZATION DIAGRAM OF PRIORITIES DIVISION OFFICE OF PRODUCTION MANAGEMENT



Library, Western Agricultural
State Teachers College

May 15, 1941

Need for tankers, delay in pipe lines may hinder flow of abundant oil to East

Dr. Robert E. Wilson, head consultant on petroleum in the Office of Production Management, in an address prepared for delivery before the American Institute of Chemical Engineers at Chicago on May 20, said in part:

The situation with regard to petroleum is far different from that during the last war, as present gasoline output is about 12 times that in 1916, and our shut-down refinery capacity today is about as large as all our refinery capacity even in 1917. Also, in the field of crude oil production, supplies available for emergency demands are immeasurably larger than during the last war, thanks to the practice of proration which not only prevents wasteful methods of production but builds up a large reserve available at a moment's notice.

Plenty of reserve capacity

While the demands of modern mechanized war are very large, and present domestic consumption is of record-breaking volume, there is still plenty of reserve crude and refinery capacity to take care of all predictable defense needs for both the regular and the special products demanded by the new equipment. Continued search for more oil, the construction of newer and better refinery capacity, and research on the improvement of products are, of course, necessary if the petroleum industry is to maintain its position in the forefront of progress and its ability to meet all needs.

300 tankers normally serve East Coast

Only in the field of transportation to the East Coast is there a bottleneck in sight. About 96 percent of the 1,500,000-barrel daily consumption of petroleum and its products on the eastern seaboard normally moves thereto by tanker. This requires the continuous service of about 250 domestic tankers moving oil from the Gulf and 40 or 50 coming in from the Dutch West Indies, Mexico, and South America. During the last year numerous tankers were transferred to foreign service and 8 large, high-speed tankers were requisitioned by the Navy, leaving a rather tight situation.

We had been eagerly looking forward to the completion of about 25 new tankers this year as a means of taking care of the growth in demand and meeting Navy needs, but within the past 2 weeks this

has been offset by the urgent request of the Maritime Commission for the immediate transfer of 25 tankers from the American fleet to British supply service.

Tanker owners have met this request with the prompt and effective action which the American public has come to expect of industry, and most of the desired number of tankers have already been turned over on a pro rata basis. These tankers will, at least initially, engage in the so-called shuttle service, hauling products from Gulf ports or the Dutch West Indies to North Atlantic ports, where British tankers will pick them up.

Several new ways for tanker building

The Maritime Commission has recently arranged for the building of several new ways to be devoted solely to tanker construction. This will result in the construction, in one large shipbuilding plant, of about four new tankers per month, beginning around next December, and should relieve the situation by the summer of 1942 unless sinkings occur at an excessive rate.

The industry is cooperating with the Office of Production Management in studying all possible ways of improving the efficiency of the existing tanker fleet and of developing all reasonable alternative methods of transportation to the East Coast.

Use of pipes, barges stepped up

Some existing pipe lines, which have been little used in recent years to transport crude oil to East Coast refineries, are immediately being stepped up to capacity, and steps are under way to increase this capacity substantially. Serious consideration is being given to several major pipe-line projects to augment East Coast supplies.

Barge transportation facilities are being expanded, and it is hoped that other barges can be transferred to service up the Ohio River as a means of getting more petroleum products into seaboard States.

Rights-of-way hold up two lines

For 6 months we have been urging that clearance be given to permit the construction of two gasoline pipe lines into Southeastern States, which private capital was willing to construct if the necessary rights-of-way could be secured under the railroads. It seems inconceivable to me that one interstate carrier

which employed the right of eminent domain to secure its own right-of-way should be permitted to use that right-of-way to block a competing interstate carrier. It is equally difficult to understand how the Georgia legislature could turn down the request of the President, plus the Secretaries of War, Navy, and the Interior, urging that enabling legislation be passed to make possible the prompt construction of these facilities which are so important under the emergency conditions we are facing. While we are still hopeful that this situation will be cleared up in the near future, the several months' delay already incurred is irreparable.

Will be difficult to carry enough

In spite of everything that can be done this summer it will be very difficult to get the desired volume of petroleum products into the East Coast territory, especially if any further diversion of tankers is found necessary. It is significant that the Standard Oil Co. of New Jersey has just announced that they are putting their east coast refinery on a coal-burning basis.

Axis consumption 5 percent of ours

The oil fields of Germany, Poland, Italy, Albania, Hungary, and Alsace produce only 0.6 percent of the world's crude oil, as compared with 63 percent for the United States alone. Even adding Germany's imports, and their tremendous development of synthetic oil plants, Germany and Italy are carrying on their war operations, plus the industrial, agricultural, and civilian activities of these two countries and the occupied territory of western Europe, with a total production of petroleum and its products, including synthetic products and imports, equal to *only about 5 percent* of this country's production of crude or its consumption of refined products. This quantity, totaling about 175,000 barrels per day, is about one-third of the pre-war consumption of the Axis-occupied territory of western Europe. About half of their present supply is made by synthetic processes from lignite or coke, and about one-quarter is imported from Roumania.

Bombing synthetic plants might win war

If and when England can achieve sufficient air superiority to permit long range and heavy daylight attacks on Germany's synthetic plants and transportation facilities, she will be striking at such a vital spot that actual invasion might never be necessary in order for England to win the war.

News for Retailers

Negotiated Bids

The Purchases Division of the Office for Emergency Management is finding an increasing use for negotiated contracts for defense materials in place of competitive bidding on contracts. The reasons for this are as follows:

With a small peacetime Army, competitive bidding was a very satisfactory device. The quantities needed were small and the bidding did not tend to upset the price structure of the market. With an Army of our present size, however, the situation is entirely different. The announcement that large quantities of a particular article are needed tends of itself to stiffen or increase prices throughout the market. By negotiating contracts for the necessary supplies, however, this bullish influence on the market can largely be avoided. A recent development illustrates the difference between competitive bidding and negotiated contracts.

In the latter part of April the Army decided that it would need 1,500,000 pounds of dehydrated eggs. These were to be used to supply troops in the field on maneuvers. Bids were asked for on this quantity but they ran a good deal higher than expected. The range was from 89 to 99 cents a pound, with the average between 93 and 94 cents.

It was believed that it would be possible to get the necessary supplies at a considerable saving through negotiating contracts. In the meantime it was discovered that the quantity required could be reduced from 1½ million to 1 million pounds. Negotiations were carried forward with the result that 1 million pounds were finally purchased at an average price of 81 cents. The total saving over what would have been the cost under competitive bidding was in the neighborhood of \$110,000. By proceeding on the basis of a negotiated contract, it was also possible to get the cooperation of another Government agency which was also in the market, the Department of Agriculture. This organization at about the same time was also making large purchases of eggs. It was agreed that the Department's purchases should be delayed until the Army had completed its buying. This cooperation was also an important factor in securing the price quoted above.

Another advantage of the negotiated contract is that it is not necessary that

the Government announce the total amount of its needs. For this reason there is less tendency for prices to advance. It also sometimes happens that manufacturers are somewhat reluctant to bid on Government business. In order to escape criticism they will, however, frequently file bids at prices considerably above the current market levels in the belief that such a bid will not be accepted. It has sometimes happened, however, that all of the important firms have acted in a similar fashion with the result that the Government has paid an unnecessarily high price.

The most successful use of the negotiated bids recently has been the case of textiles, eggs, and tomatoes.

Commercial Truck Crops

Probable production of some of the more important commercial truck crops during the current growing season is indicated in the latest figures from the Agricultural Marketing Service of the Department of Agriculture. The situation in some of the leading crops as of May 21 is as follows:

SNAP BEANS: A production of 10,279,000 bushels is now indicated to date for this year as compared with a production last year of 9,217,000 or an increase of 11 percent. The 10-year average production, 1930-39, is 8,851,000. These figures do not cover the crop to be grown in most of the intermediate and in all of the late States.

LIMA BEANS: Data from three State groups indicates a production in these areas of 584,000,000 bushels this year as compared with 478,000,000 bushels last year or an increase of 22 percent. These figures do not include the crop to be grown in the intermediate and late States.

COMMERCIAL EARLY IRISH POTATOES: The total for four seasonal groups shows an indicated production this year of 29,829,000 bushels as compared with 28,961,000 last year or an increase of 3 percent. This report does not include the crops to be grown in the intermediate States.

GREEN PEAS: Figures are now available for four State groups. These show an indicated production for these areas of 4,003,000 bushels as compared with 4,331,000 bushels a year ago or a decrease of 7 percent. This report does not include the crop to be grown in the late States.

TOMATOES: Indicated production from four State groups this year is 7,320,000

bushels as compared with 9,468,000 last year, or a decline of 22 percent. This report does not include the crop to be grown in the intermediate and late States.

Inventories

Special attention is being given at present in the defense work to economizing in inventories as a means of avoiding shortages at some stage in the course of the flow of materials from raw materials into the finished product. Some manufacturers tend to load up heavily on raw materials in fear of shortages at some later date. The Government agencies are discouraging this practice in order that more firms can have adequate supplies as they need them.

Manufacturers are readily giving their cooperation to this plan since it means a general easing of the problem of production and a more steady flow of materials to the right places at the right time.

Supplies of Walnut

While there have been recurrent reports that there might be a shortage of walnut wood due to large Government orders, there is no basis whatever for these reports.

The principal use of walnut in the past has been for gun stocks. In 1917 the Government placed large orders for walnut. There are now 2,000,000 walnut gun stock blanks in storage which were left over from the last war. These are held in the Springfield and the Rock Island arsenals. It is believed that this reserve supply will be more than adequate for Army needs for a long time to come.

If for some unforeseen reason there should be a shortage of walnut, it would be possible for some synthetic or plastic material to be used in place of wood. There is every indication that walnut supplies will remain free to take care of peacetime needs.

Aluminum

Although it appeared some time ago that some supplies of aluminum in the form of scrap would be made available to the manufacturers of cooking utensils, it now develops that supplies may be restricted to a much greater extent than hitherto foreseen. Since the defense needs are increasing much more rapidly than production, it appears that secondary scrap metal will soon be taken over for defense needs. While it may be that a pool of material may be set up for emergency use, this does not mean that any of this will be made available to the manufacturers of consumer goods.

HOUSING . . .

Construction contracts awarded in week for 378 dormitory and 145 family units

Construction contracts were awarded for 378 dormitory and 145 family dwelling units for the week ended May 17 under the coordinated defense housing program, C. F. Palmer, Coordinator, has announced.

The Farm Security Administration awarded contracts for 378 units for single civilian workers at Hartford, Conn. These units will be combined to form 6 dormitories, each having accommodations for 63 single men.

Among the construction contracts awarded for the week were 75 units in Charlestown, Ind., by the Public Buildings Administration and 70 units in Bremerton, Wash., by the United States Housing Authority. These houses are to be occupied by civilian workers.

683 units completed in week

Included in the completions reported for the week were 55 of the first dormitory units to be constructed under the coordinated housing program and 628 new family dwelling units. The dormitory units were built for single civilian workers employed in the aircraft industry in San Diego. Also reported com-

pleted in the same locality were 100 family dwelling units. Among other completions reported for the week were Orange, Tex., 50, and Quantico, Va., 25; all built by the Navy for enlisted men. The Public Buildings Administration reported completions of 100 units in San Angelo, Tex.; 23 in West Palm Beach, Fla.; and 50 in Tucson, Ariz.; all for enlisted personnel.

Allocations for 87,260 family dwellings

As of May 17 allocations had been made for 87,260 family dwelling units under the coordinated defense housing program. 25,748 of these are for enlisted personnel and 61,512 for civilian defense workers. For the same period, construction contracts had reached a total of 61,480 units in 129 localities of 45 States and Territories. Of these, 22,965 are for married enlisted personnel and 38,515 for civilian workers.

Under the coordinated housing program, 10,657 family dwelling units had been reported completed by May 17. 4,710 units are for the married enlisted personnel and 5,947 for civilian industrial workers.

Housing progress exhibit plans completed

Final preparations for a defense housing "progress" exhibit for the Miami Valley Industry and Defense Exhibition to be held May 28 through June 8 in Cincinnati have been completed, according to C. F. Palmer, Defense Housing Coordinator.

Pictures of the kinds of houses now being built for defense workers as well as the first pictures of completed housing projects throughout the country will be shown.

A map showing the locations of housing units and the kinds of defense industries they will serve will be a part of the exhibit. There will also be a chart showing interrelationships between Government housing agencies, and the acts giving them their authorizations and funds.

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Contracts awarded for plans of nine possible Army camps

The War Department announced May 21 awards of architectural and engineering contracts for the preparation of advanced plans and lay-outs for the nine new triangular division camp sites which were announced on May 14, 1941. This is a step in the War Department planning program for preparation against any emergency which may necessitate additional increases in the strength of the Army. No money has been authorized for construction of cantonments.

The nine contracts which have been approved by the Office of Production Management and sites involved are:

Wiley & Wilson, Lynchburg, Va.—Blackstone, Va.; Charles H. Hurd, Indianapolis, Ind.—Columbus, Ind.; J. B. McCrary Engineering Corporation, Atlanta, Ga.—Augusta, Ga.; Holway & Cochrane, Tulsa, Okla.—Cookson Hills, Okla.; Burns & McDonnell Engineering Co., Kansas City, Mo.—Neosho, Mo.; Black & Veatch, Kansas City, Mo.—Fort Smith, Ark.; Leeds, Hill, Barnard & Jewett, Los Angeles, Calif.—Santa Maria, Lompoc, Calif.; John W. Cunningham & Associates, and Lawrence & Allyn, Portland, Oreg.—Eugene, Oreg.; and Myron Hund & H. C. Chambers, Los Angeles, Calif., and Blackie & Wood, San Francisco, Calif.—Medford, Oreg.

STATUS OF PUBLIC DEFENSE HOUSING CONSTRUCTION, MAY 17, 1941

	Funds allocated		Contracts awarded		Completed	
	May 17	May 10	May 17	May 10	May 17	May 10
Number of States and Territories.....	47	47	45	45	20	18
Number of localities.....	144	144	129	128	30	32
Number of projects.....	307	295	217	215	42	34
Number of family dwelling units (regular).....	87,260	87,260	61,480	61,335	10,657	9,929
Civilian industrial workers in private defense industry.....	35,265	35,265	19,596	19,596	2,144	2,142
Civilian industrial workers in Government plants.....	16,001	16,001	11,658	11,513	1,909	1,859
Other civilians, employed by the Army and Navy.....	10,246	10,246	7,261	7,261	1,894	1,834
Married enlisted personnel.....	25,748	25,748	22,965	22,965	4,710	4,094
Number of family dwelling units (trailers).....	2,035	2,035	2,035	1,909	.....	.....
Civilian industrial workers in private defense industry.....	2,035	2,035	2,035	1,909	.....	.....
Civilian industrial workers in Government plants.....	.....	.....	.....	.....	.....	.....
Number of units for single persons.....	6,991	6,991	6,351	4,973	65	.....

PRIVATE CONSTRUCTION UNDER FHA MORTGAGE INSURANCE

	Week ended May 17	Previous week
New homes started.....	4,507	4,632
New home mortgages selected for appraisal.....	5,942	5,907

Straighter thinking needed if we are to match Hitler's war effort, says Horton

Robert W. Horton, Director of Information, Office for Emergency Management, on May 23 appealed for straight thinking about our armament program, declared that there is something soft in the word "defense," and warned that we may have to deprive ourselves of more butter than did Hitler if we are to accomplish in a "maximum" of two years what he did in eight. He spoke before the Washington Chapter, Society for the Advancement of Management.

Excerpts follow:

This world in which we now live so dangerously and precariously, is dominated by two dynamic political philosophies—the one founded upon the cultivation of the human spirit and individual liberty; the other upon the inhuman spirit and collective slavery. These two philosophies cannot share the world between them. Our world cannot endure half slave, half free. That then, is the situation in which we find ourselves. It is that simple and that terrible.

So what should we, the greatest of free people, do by way of resistance. Well, we say we have undertaken a great defense program. That we have done. But to my way of thinking, there is something which is a little weak, a little soft in the word "defense" when you stack the idea it conveys up against the kind of future we would face with a Hitler victory abroad. There is just a suggestion of isolation in that word "defense." It suggests merely *repelling* an invader rather than bending every effort to exterminate the disease he spreads. To face the issue which confronts us as a free people with the idea that Hitlerism and our kind of government can divide the world between them is comparable to harboring the conviction that you can stop a 75-mm. shell with a bullet-proof vest. No, gentlemen, it takes a 75-mm. barrel or better to silence that gun. It takes a vigorous, determined, straight-thinking democracy to wipe out the ideas behind it.

"A maximum of two years"

We may have to deprive ourselves of more butter than did Hitler to get guns. He with conquest on his mind and on his drawing board for years on end was able to build up his machine slowly by comparison with the time allotted to us, and I may say that we do not know how much more time is allotted to us. For that reason it is vital that not one hour of it be

lost. Generally it can be said that we must do in a maximum of 2 years what Hitler has taken at least 8 to do.

More than 5 billion dollars was spent from June 1, 1940, to May 1 of this year. That seems for a moment like a lot of money. It is, but it is nothing when compared to the total effort required if our defense organization is to be carried out even on the schedule now laid down. The second year's cash disbursements must be close to five times 5 billion dollars.

When Hitler began the slaughter of Poland, and that was 1½ years ago, he was spending the equivalent of a billion dollars a month on armament. Today that figure has been tripled and somewhere between 60 and 65 percent of the German national income is being plowed into war. And that I might add is in addition to the resources acquired from Poland, Holland, Belgium, Luxemburg, Czechoslovakia, France, Norway, Rumania, Bulgaria, and Greece, and even Italy. Do you see the kind of enemy that we face? Because of the force of his arms, our armament program is so big that we actually will have to exercise the utmost inventiveness to spend the money at the rate required to do the job we have ahead on anything like the present schedule.

The dark side

On the dark side of the picture we are short of aluminum. We probably will be short of the most vital of all armament material, steel. Already there are serious pinches in various types and kinds of steel. Our stock-pile program is behind-hand on the basis of original schedules laid out last summer, and if these shortages develop it simply means that you and I will have to pull in our belts a little tighter, stick out our chins a little stiffer, and let the appeasers do the whimpering.

But mostly, I believe, our troubles have arisen from what sometimes has seemed a stunning lack of realism; failure to think straight—a fatheaded kind of attitude that had to be rubbed down to workable proportions.

Above all, we have got to abandon in every part of our society what I call the "quid-pro-quo approach" which is the matter of replying to requests for action—action vital to the security of our country and the preservation of our liberty—by asking what there is in it for me.

Those who ask that question mean *how much in money* is there in it for me.

What is in it?

But what is in it, gentlemen? There is freedom in it. Freedom to speak your piece; freedom to write and read what other men write; freedom to worship God in your own humble way. There is security in it, security in your home for you and your family, but most important of all there is freedom for all of us to work ever further toward the kind of country all free men want and *which only free men* can create. Those are the things involved so deeply in this effort, and you can't ring them up on a cash register. They are in our hearts and in our minds, not in our pocketbooks.

Today every one of these things is threatened wherever free men live, and free men, you and I know, are being forced to live in a smaller and smaller area of this world.

"The words of little men"

Despite the realities of this situation, we still hear men insist that these things are threatened in our country *only* if we vigorously protest their annihilation elsewhere. There seems to me in such sentiments no understanding of the political struggle I described earlier and even less understanding of the spirit and determination of free people to see that freedom does not perish from the earth.

To me, such sentiments, such phrases are the words of little men, or they are a kind of counsel of deceit. They are the words of men who lack faith in their own free countrymen. They would save us from ourselves by delivering us passively into slavery. Or finally, they are the words of contemptible men who speak for another faith than ours.

For myself, I shall cling tightly to the sentiment of Thomas Jefferson, who said "the God who gave us life gave us liberty at the same time."

And gentlemen, I intend to fight if need be to keep it.

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REVERSIBLE SKI UNIFORMS

Adoption of a new, reversible ski uniform, forest green on one side and snow white on the other, to permit greatest use of protective backgrounds, will put the Alaska Defense Force among the best equipped snow troops in the world, the War Department has announced.

INTER-AMERICAN COOPERATION . . .

Collaboration to aid American Republics even beyond emergency described as goal

The goal of collaboration among the American Republics is to benefit all as independent nations during and beyond the present emergency, Berent Friele, of the Office of the Coordinator of Commercial and Cultural Relations between the American Republics, said on May 21. Mr. Friele, who is director of the Commercial Development Division, spoke at a goodwill luncheon of the Buffalo Chamber of Commerce and the Associacao Commercial of Rio de Janeiro, in Buffalo. Excerpts follow:

In the long run, we seek a collaboration between the Republics of this hemisphere which will be of great benefit to all—without any compromise of our privileges as free and independent nations.

We have also an immediate objective; the defense of our boundaries and of the sacred right to continue to direct our own destinies.

The past 2 years have taught us that an effective defense cannot be limited to troops, guns, and bombers. Economic weakness is as great a threat to a nation's security as military weakness.

The United States occupies a peculiarly favorable position as far as cooperating with Brazil is concerned. We have been her best customer since 1900, normally buying 40 percent of her total exports. She is fifth on the list of buyers from us. The 1935 reciprocal trade agreement bound coffee and other important products on our free list. Brazil is now providing us with many materials vital to our defense effort.

But effective collaboration must be predicated on understanding. We must acquaint ourselves with Brazil's economic situation, and reach a real appreciation of the nature of the problems which confront her.

Rich endowment of natural resources

The average citizen of the United States doesn't realize what a fabulous land Brazil is. It is like ours in that it covers great areas of territory of a widely diverse character—only it is bigger and more varied. Brazilians also have an enormously rich endowment of natural resources. A billion acres of forest which

amounts to about one-eighth of the world's timber resources; a hydroelectric potential exceeded by only five countries; the world's largest single reserve of high-grade iron ore—12 billion tons. Brazil grows all the fibers, the fruits, the grains, the products of tropic, semitropic, and temperate agriculture. She has manganese, diamonds, mica, bauxite, rubber, and a host of other materials. Only 3 percent of the arable land is cultivated and yet she is the world's largest producer of coffee, second in cacao, third in corn, fifth in cotton and sugar, seventh in meat, ninth in rice.

Remodeling economic structure

We must also keep in mind that Brazil, in the last decade, has been engaged in a far-reaching program to remodel her economic structure. The last war taught her a bitter lesson about the precarious nature of the one-crop foundation. The program for diversification of agriculture has resulted in increased exports of quantities of hides, vegetable oils, cotton, carnauba wax, citrus fruits, and cacao. Efforts to develop natural resources raised production of woods and such minerals as manganese and iron ore. The value of her mineral production rose from 117,600 contos in 1930 to 833,600 in 1938. Her industrial production is up from a total value of 4,600,000 contos in 1930 to 12,000,000 in 1938. In textiles alone, she produced a billion meters of cotton piece goods in 1940, almost tripling her 1929 output. In the same year she produced some 3,100 tons of rayon and silk fabric and 40,000,000 pairs of shoes. Industrial production today exceeds by 20 percent total agricultural output, for so long the gage of Brazil's prosperity.

Economic and social reforms

The program of national economic unification was further strengthened by measures which steadied farm buying power and assisted in the carrying of the coffee crop. A thoroughgoing program of social reform was set in motion. Labor's right to bargain collectively was recognized, job security provided for, and old age, unemployment, and maternity benefits established. Measures directed

at raising the standard of living, and increasing the buying power of the small consumer, set minimum wages and maximum hours for labor.

Export trade dealt blow

This program was no more than well under way when war broke out and delivered a blow to Brazil's European trade, which amounted to about 40 percent of her exports. Obviously, it was up to Brazil to gear her output to hemisphere markets, to speed up the process of diversification, and to adjust imports to purchasing power.

The cooperation of the United States was immediately forthcoming. In March 1939 the Export-Import Bank had already established credits of \$19.2 million to help liquidate blocked balances and loosen official exchange control and, subject to the approval of Congress, the Treasury had agreed to advance 50 million in gold to establish a Central Reserve Bank—all in the interest of easing trade strictures between the two countries. Now, in a period of emergency, the Export-Import Bank again came into the picture with a credit of 25 million to tide Brazil over the period of adjustment. Another credit of 20 million was extended to assist in financing a great steel plant whose output would largely replace imports from Europe.

Coffee agreement

The threatened collapse of the coffee price stricture was forestalled when Brazil and 13 other coffee producers met with the United States and agreed on a quota system to permit orderly marketing of the crop.

The enormous purchasing power of 130 million consumers, magnified by the demand for materials from industry humming with defense orders, was mobilized. There were needed purchases to be made which could be made in Brazil. They were; and in return, Brazilian buyers began streaming into the United States market for goods. The statistics provide decisive commentary on the effectiveness of this effort. In the first quarter of 1941, our purchases from Brazil were running 65 percent ahead of those for the corresponding period of 1940.

In 1940 Brazil's trade with other South and Central American countries increased—exports by 5 million dollars and

purchases by 9. Home industry welcomed the tonic of refugee capital and the skills of craftsmen fleeing Nazi oppression.

Brazil joined with the other American Republics in creating new machinery to deal with our mutual problems. She has supported the proposed Inter-American Bank, and helped set up a local council of the Inter-American Development Commission—designed to facilitate the attraction of capital to opportunities for profitable and creative investment.

What can we expect of the future? Brazilian technicians now wrestling with the problem of industrial expansion in their country will inevitably bring about a widening of the home market and an increase of purchasing power.

Many problems still remain. It is vital, for instance, to insure an adequate supply of essential goods to countries now deprived of their normal European sources. Further, it is essential that shipping space be provided to insure the preservation of inter-American trade.

Looking far beyond this war

You may have noticed that in reference to the future in this discussion there was no mention of the possible duration of the emergency. We are looking, and planning, far beyond this war. We visualize this unity as a mechanism which will be operating to the benefit of us all long after this war has dropped to a chapter in the history books. We intend to widen our spheres of activity after hostilities have ceased.

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"HAMS" TO STAY ON AIR

For the first time in 15 years the 2,400 "Hams" in the Army Amateur Radio System will stay by their instruments throughout the summer instead of closing their operating season on the last Monday in May, which has been their custom in the past, the War Department has announced.

The decision to continue normal operations throughout the summer was made by the Office of the Chief Signal Officer of the War Department because of a number of factors. The world situation is only one of them. An important reason is the fact that this year there are hundreds of thousands more men in the training camps than last year. For them the "Hams" transmit thousands of messages, free of charge, on request.

Agriculture Department buys food to concentrate supplies and support prices

One of the key phases of the U. S. Department of Agriculture's Food-for-Defense program is increased purchases of foodstuffs. In addition to concentrating needed food supplies, the purchases also are the means of supporting prices for farm products on which the Department is asking farmers to step up production. Price-supporting purchases have been made for pork and pork products, poultry and eggs, dairy products, and certain vegetables.

Four possible uses

Buying operations are carried on by the staff of the Surplus Marketing Administration. Foods purchased under the expanded purchase program may be used in any one of four ways—to supply Great Britain under the Lease-Lend program, to supply the Red Cross for war refugees, for direct distribution through State relief agencies and the school lunch program, and for release on the market in the case of unwarranted speculative price increases.

Bought through normal channels

Purchases are made through normal commercial channels. In some instances, such as eggs, purchases may be made on the exchanges. With other foods, pork for example, where certain specifications must be met, the Department requests bids both on price and amounts available at that price.

Amounts purchased

Since the expanded purchase program went into effect on March 15, the amount of foodstuffs purchased through May 15 follows:

Apples, fresh, 1,268,426 bu.; beans, dry, 70,334,300 lbs.; carrots, fresh, 275 tons; grapefruit, fresh, 6,851 tons; grapefruit (for juice), 3,744 tons; canned grapefruit juice, 643,200 cs.; canned grapefruit (segments), 398,418 cs.
Onions, 16,000 50# bags; oranges, 185,262 bxs.; potatoes, white, 906,598 bu.; raisins, 15,000 tons; shell eggs, 740,100 cs.; dried eggs, 617,500 lbs.; frozen eggs, 12,642,000 lbs.
American cheese, 20,081,730 lbs.; canned process cheese, 1,000,000 lbs.; dry skim milk, 11,131,050 lbs.; evaporated milk, 1,552,000 cs.; oleomargarine, 1,120,000 lbs.; wheat flour (enriched), 307,285 bbls.; lard, 103,818,655 lbs.
Pork meat products—canned, 36,828,180 lbs.; cured and frozen, 69,898,500 lbs.; cornstarch, 13,440,000 lbs.; canned fish, 103,635 cs.; canned tomatoes, 618,675 cs.
Canned pork and beans, 23,300 cs.; cracked wheat, 4,800,000 lbs.; rice, 3,200,000 lbs.; dry whole milk, 60,000 lbs.; biscuits (hard bread), 220,000 lbs.

TROPICAL PLANT SURVEY

Two tropical plant specialists of the United States Department of Agriculture, H. T. Edwards and J. H. Kempton, recently arrived in Mexico where they will make a survey directed toward development of crops in Mexico and other Central American countries, which cannot be grown in the United States. The survey, under the direction of the Department's Latin American Division, is being made at the request of the Mexican Government and the scientists expect to spend 3 months on the job. Both scientists are employed by the Bureau of Plant Industry and are familiar with tropical agriculture.

Special attention will be given to the possibility of producing such crops as abaca, the plant from which hemp is obtained and now imported from the Philippines; cinchona, imported from the East Indies for manufacture of quinine; chia, imported from China for manufacture of oil used in paints and varnishes; derris, imported from the East Indies for use in insecticides; kapok, imported from the East Indies and used in upholstering and life preservers; and licorice, imported from Asia Minor and used in the manufacture of chewing tobacco.

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Ecuador organizes trade council

Nelson A. Rockefeller, Coordinator of Commercial and Cultural Relations between the American Republics, May 24 announced the membership of the Ecuadoran National Council, the ninth of 21 councils being established by the Inter-American Development Commission in its program for the stimulation of trade among the American Republics. Mr. Rockefeller is chairman of the Development Commission.

The Ecuadoran Council is headed by Dr. Antonio Quevedo, former Ecuadoran Minister of Foreign Affairs, and director of the Central Bank of Ecuador. The other members include Juan Marcos, as vice chairman (Señor Marcos is a prominent banker, industrialist, and agriculturist); Ingeniero Carlos Freile Larrea, former Minister of Finance, and now director of Central Bank of Ecuador; Clemente Yerovi, president of the Banco Hipotecario del Ecuador; Enrique Coloma Silva, Director General de Minería y Petróleo.

Dr. L. Neftali Ponce, of the Ministry of Foreign Affairs, is secretary of the Ecuadoran Council.

PURCHASES . . .

40 Certificates of Necessity for plant expansion issued May 1 through 15

In all, 40 Certificates of Necessity were issued to 37 corporations from May 1 to May 15, inclusive, the National Defense Advisory Commission has announced. These certificates were issued in connection with the construction and acquisition of new plant and manufacturing facilities, the estimated cost of which was \$6,328,000.

This brings the total issued up to May 15 to 1,450, and the number of corporations to 1,264. The cost of facilities covered to date was estimated at \$936,868,000.

A compilation of firms for the first half of May, and estimated cost of facilities, follows:

Aluminum Co. of America, Pittsburgh, Pa.; aluminum products; \$456,000.

Bliss & Laughlin, Inc., Harvey, Ill.; cold finished steel; \$34,000.

Bridgeport Brass Co., Bridgeport, Conn.; cartridge cases; \$18,000.

Busch-Sulzer Bros. (Diesel Engine Co.), St. Louis, Mo.; hoist; \$82,000.

The Carborundum Co., Niagara Falls, N. Y.; silicon carbide, vitrified, abrasive wheels and products; \$1,414,000.

Celotex Corporation, Chicago, Ill.; wood pulp and cemento board; \$540,000.

Central Arizona Light & Power Co., Phoenix, Ariz.; electrical energy; \$12,000.

Clearing Machine Corporation, Chicago, Ill.; mechanical and hydraulic power presses and press brakes; \$167,000.

The Cleveland Tractor Co., Cleveland, Ohio; tractors; \$103,000.

Dresser Manufacturing Co., Bradford, Pa.; forging and complete machining of shells; \$102,000.

The Factory Power Co., Cincinnati, Ohio; power, light, heat, air, and water; \$43,000.

The Falk Corporation, Milwaukee, Wis.; gear reduction units; \$51,000.

General Motors Corporation, Detroit, Mich.; parts for six-wheel drive trucks; \$447,000.

The Glidden Co. (Metals Refining Co. Division), Hammond, Ind.; oxide; \$21,000.

The Hadley Special Tool Co., Inc., Boston, Mass.; gun accessories; \$4,000.

Hammond Machinery Builders, Inc., Kalamazoo, Mich.; grinders; \$70,000.

Hood Rubber Co., Inc., Watertown,

Mass.; battery jars, containers and covers; \$16,000.

William E. Hooper & Sons Co., Philadelphia, Pa.; cotton duck, webbing and cord; \$7,000.

Hoover Tool & Mfg. Co., Kalamazoo, Mich.; tools, dies, gages, and metal stampings; \$26,000.

Hydraulic Supply Manufacturing Co., Seattle, Wash.; steel tanks, pipe lines, castings, boiler casings, crane and ship cab housings; \$56,000.

Lehigh Foundries, Inc., Lehigh Drive, Easton, Pa.; machining of shells; \$23,000.

Le Tourneau Co. of Georgia, Toccoa, Ga.; earthmoving and grading equipment; \$490,000.

The Mitchell Steel Co., Cincinnati, Ohio; bars, billets, and drop forgings; \$45,000.

Morse Chain Co., Ithaca, N. Y.; chains; \$28,000.

The New Britain Machine Co., New Britain, Conn.; screws and chucking machines; \$263,000.

Newport News Shipbuilding & Dry Dock Co., Newport News, Va.; cruisers and aircraft carriers; \$72,000.

Nordberg Manufacturing Co., Milwaukee, Wis.; torpedo tubes, bronze castings for gun mounts, and heavy duty Diesel engines; \$51,000.

Norton Co., Worcester, Mass.; crystalon ore; \$48,000.

Prest-O-Lite Co., Inc., New York, N. Y.; acetylene; \$356,000.

The Singer Manufacturing Co., New York City, N. Y.; gun accessories; \$717,000.

The Snow and Petrelli Manufacturing Co., New Haven, Conn.; gears and clutches for boats; \$47,000.

Sterling China Co., East Liverpool, Ohio; vitrified china tableware; \$180,000.

B. F. Sturtevant Co., Inc., Hyde Park, Mass.; pumps and turbines; \$11,000.

Taylor Forge & Pipe Works, Chicago, Ill.; forgings, steel fittings, and flanges, and corrugated fireboxes; \$136,000.

Triumph Explosives, Inc., Elkton, Md.; detonator assemblies; \$11,000.

Weston Electrical Instrument Corporation, Newark, N. J.; electrical measuring instruments; \$51,000.

Worthington Pump & Machinery Corporation, Harrison, N. J.; pumps and equipment; \$130,000.

Quick action averts shortage of natural resins

"A threatened shortage in certain natural resins essential to the manufacture of paints and other protective coatings has been averted through speedy operation of machinery set up by the Division of Purchases to anticipate and deal with scarcities in the protective coatings field," Director Donald M. Nelson said May 20.

Ordinarily, Mr. Nelson explained, about 20,000 tons of such natural resins as kauri, batu, elemi, and damar are required annually in the United States. These resins come from the Orient; lack of shipping recently caused some 5,000 tons to accumulate at Singapore, Batavia, and Macassar awaiting shipment. Best efforts of the importers to obtain shipping space proved fruitless.

Shipping space provided

This situation was examined by one of the industry subcommittees set up under the direction of Donald G. Clark, chief of the Equipment and Supplies Branch of the Division. Through the efforts of J. B. Davis, special adviser on protective coatings, the problem was taken up with the Maritime Commission and with the Netherlands Legation in Washington. As a result, shipping space has been made available for transport of the needed materials.

The entire operation, Mr. Nelson pointed out, illustrates the way in which industry and Government can work together to handle specific problems arising under the defense program. Under the central advisory committee which was established nearly 2 months ago by the Division of Purchases to cover all raw materials and chemicals used in the protective coatings field, there are numerous subcommittees, each equipped to study problems relating to one particular item.

As a result, each material used in the making of paints and finishes gets thorough, expert study.

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MAROON FOR CONVALESCENTS

Maroon has been adopted as a "cheerful" color for new convalescent suits and robes at Army hospitals, the War Department has announced.

Defense contracts awarded and cleared May 15 through May 21

Defense contracts totaling \$81,799,245 were awarded by the Army and Navy and cleared by the Division of Purchases, OPM, during the period May 15 through May 21.

This compares with \$85,826,021 for the previous week and \$47,135,473 for the week ended May 7.

Cleared contracts awarded by the War Department during the latest period totaled \$59,220,448, and by the Navy Department \$22,578,797.

EQUIPMENT & SUPPLIES

NAVY

American Woolen Co., New York, N. Y.; dark-blue melton; \$1,710,000.
The Kent Mfg. Co., Clifton Heights, Delaware County, Pa.; dark-blue melton; \$672,000.
General Motors Corporation, Cleveland Diesel Engine Division, Cleveland, Ohio; five sets of propelling machinery complete with spare parts for auxiliary vessels; \$631,500.
The R. K. LeBlond Machine Tool Co., Cincinnati, Ohio; heavy duty, quick change engine lathes; \$500,702.
International Silver Co., Meriden, Conn.; Officers' mess gear, silver-plated ware; \$546,000.15.

WAR

Watson-Stillman Co., Roselle, N. J.; machinery and equipment for production of hydraulic equipment; \$185,548.80. (Defense Plant Corporation Agreement of Lease.)

AIRCRAFT

WAR

Vultee Aircraft, Inc., Vultee Field, Downey, Calif.; airplanes and spare parts; \$32,912,990.
Chrysler Corporation, Detroit, Mich.; air frames, nose and center fuselage sections for medium bombers; \$5,336,835. (Educational order.)
Wright Aeronautical Corporation, Paterson, N. J.; engines and spare parts; \$1,112,190.69.
Continental Motors Corporation, Muskegon, Mich.; engines and spare parts for airplanes; \$5,241,746.25.

ORDNANCE

NAVY

Willys-Overland Motors, Inc., Toledo, Ohio; ordnance equipment; \$5,651,605.08.
Consolidated Steel Corporation, Ltd.; ordnance equipment; \$9,185,990.

WAR

Metal Products Co., Miami, Fla.; fuze; \$516,000.
Stewart Warner Corporation, Chicago, Ill.; fuze; \$1,417,800.
Standard Tube Co., Detroit, Mich.; forgings; \$1,544,000.
A. O. Smith Corporation, Milwaukee, Wis.; bombs; \$3,224,000.
Harrisburg Steel Corporation, Harrisburg, Pa.; bombs; \$1,471,180.
E. I. du Pont de Nemours & Co., Pompton Lakes Works, Pompton Lakes, N. J.; detonator assemblies; \$525,000.

CONSTRUCTION

WAR

J. A. Jones Construction Co., Charlotte, N. C.; construction of 335 recreation buildings at Camp Shelby, Miss.; \$562,278.
Pearson Construction Co., Benton Harbor,

Mich.; construction of two warehouses at Jeffersonville QM Depot, Ind.; \$708,400.

Joseph A. Bass Co., Minneapolis, Minn.; construction of 6,000-man cantonments, Jefferson Barracks, Mo.; \$1,112,600.

Evans Construction Co., Springfield, Ill.; construction of 4,000-man cantonments, Jefferson Barracks, Mo.; \$677,243.

O'Driscoll & Grove Co., New York, N. Y.; construction of hospital group, Jefferson Barracks, Mo.; \$690,254.

Four contractors: Smith Engineering & Construction Co., Noonan Construction Co., Dyson & Co., all of Pensacola, Fla., and Wilson Construction & Supply Co. of Tallahassee, Fla.; construction of cantonment, including utilities and appurtenances, and paving at three auxiliary fields at Elgin Field, Fla.; \$1,982,382.

NAVY

Los Angeles Shipbuilding & Drydock Co.; acquisition, construction, and installation of additional facilities; \$2,237,000.

Sperry Gyroscope Co., Inc., Brooklyn, N. Y.; additional plant facilities; \$130,000.

B. F. Sturtevant Co., Hyde Park, Boston, Mass.; additional plant facilities; \$36,000.

A. W. Quist & Sound Construction Co., Seattle, Wash.; fitting out pier at Puget Sound Navy Yard, Bremerton, Wash.; \$1,278,000.

Letter of intent

In addition to contract awards, the following letter of intent was issued and announced by the War Department during the week ended May 21:

Nash-Kelvinator Co., Detroit, Mich.; manufacture of three-blade Hamilton standard propeller assemblies and spare parts; \$8,500,000. (These assemblies, to be manufactured under license of the United Aircraft Corporation, Hamilton Standard Propeller Division, will be produced in a plant at Lansing, Mich., through an agreement of lease with the Defense Plant Corporation.)

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"HOUSE OF MAGIC" TESTS CLOTHING FOR ARMY

An Army "house of magic," where uniform materials for America's new citizen army are tested for strength, wear, warmth, and water repellency by mechanical devices before being accepted from manufacturers, is working overtime at the Quartermaster Depot in Philadelphia, these days, inspecting as much as 2,000,000 yards of cloth and 4,000 cases of clothing in a single day.

There is a machine that detects even the tiniest hole in a raincoat, another that crushes buttons just to see how much stress they can stand, and a robot detective that records thread shortages by counting every yard in a cone of thread. There is even a machine that creates artificial rainstorms and one that gives the effect of a windstorm.

Scrap suppliers and consumers to see Government officials

A committee representing suppliers and consumers of iron and steel scrap will confer with representatives of the Office of Production Management and other Government agencies on Tuesday, May 27, it was announced May 24 by the Materials Branch of OPM.

General problems of the industry, including those of supply and transportation, will be discussed.

A vital defense element

Iron and steel scrap are a vital element in the defense program, virtually half of the country's steel ingot output being derived from them. In addition large tonnages of scrap are used by foundries which produce castings and other iron and steel products.

The industry committee has only authority to consult with and make recommendations to Government agencies. R. C. Allen, chief of the scrap section of the Materials Branch, Production Division, OPM, will pass upon any recommendations.

Various branches of Government represented

The formation of the committee provides a means by which representatives of the industry may consult simultaneously with representatives of various branches of the Government. Those scheduled to represent the Government at Tuesday's meeting include Mr. Allen, C. A. Bishop, of OPACS; Lt. Col. H. C. Minton, of the U. S. Army; Commander N. W. Gokey, of the U. S. Navy; A. D. Whiteside, of the Priorities Division, OPM; A. F. Cleveland, Adviser to the Transportation Division of the Advisory Commission to the Council of National Defense; and a governmental representative of Labor, who has not yet been designated.

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Civil Service Placements

The United States Civil Service Commission stated May 23 that it had reported to the Advisory Commission to the Council of National Defense that a total of more than 400,000 Civil Service placements had been made in the field and departmental establishments of the War Department and the Navy Department since June 1, 1940.

TRANSPORTATION . . .

Record 1940 loadings per car save equivalent of 26,000 carrying units

Heavier loading of freight cars provides an opportunity for all concerned in the use of railroad transportation—railroads, shippers, and receivers—to add substantially to the volume of transportation which can be performed by available railroad equipment, according to Ralph Budd, Transportation Commissioner.

The average tonnage per car of all carload traffic handled by the railroads in 1940 was 37.7 tons, an increase of 0.9 of a ton over the 1939 record and the highest of all time. This increase of 0.9 of 1 ton as applied to the total railroad traffic had the effect of adding 26,000 freight cars to the available supply.

Average capacity per car is 50 tons

Despite the fact that the loading per car of many commodities is restricted by their bulkiness, it is, nevertheless, known that literally thousands of opportunities exist for increasing the tonnage per car. The average capacity per car is 50 tons, which will give a rough approximation of the extent to which even the 1940 record fails to reach the carrying capacity of equipment.

Under present conditions, with a rising tide of traffic which undoubtedly will, during peak periods, result in some tightness of car supply, the benefits of heavier loading to all concerned are more important than they have been since the heavy traffic years, 1926 and 1929. The Transportation Division urges upon shippers and receivers the desirability, in their own interest, of full cooperation in promoting capacity utilization of railroad equipment.

As one means of furthering this activity, W. C. Kendall, chairman, Car Service Division of the Association of American Railroads, recently addressed a letter to the chief operating officers of the railroads, reading as follows:

"The equivalent of 26,000 freight cars was added to the available car supply in 1940 through the simple expedient of increasing the average tonnage loaded in each car. The average of 37.7 tons per car for all commodities is an all-time high. New tons-per-car records were made for the General Commodity Groups, except Products of Agriculture which was exceeded by two-tenths of a ton in 1938.

"Many opportunities exist for increasing average car supply, but few are more promising than gains which are possible through loading more tonnage in each car. The economy which will result to carriers, shippers, and receivers will be found very much worth while and easy of accomplishment. It is recognized that all cars cannot be loaded to the maximum carrying capacity. Trade practices, inventory requirements, and other factors must be considered, but there are many commodities moving in substantial volume where heavier loading would be mutually beneficial and where continued efforts will result in increased utilization of equipment."

Submits table

Mr. Kendall also submitted the attached table, which covers the major commodity classifications as included in the Interstate Commerce Commission Freight Commodity Statistics:

LOADINGS IN TONS PER CAR

	1940	1939	1938	1937	1936	1935	1934	1932	1931	1929
Total cars loaded (000 omitted).....	26,411	24,119	21,167	27,176	25,951	21,780	21,225	18,068	24,632	36,822
Tons per car, all commodities.....	37.7	36.8	35.8	36.7	36.3	35.6	35.4	34.9	35.4	35.4
Products, agriculture.....	27.6	27.5	27.8	26.1	25.7	25.2	25.1	25.3	25.2	24.6
Animals and products.....	12.9	12.7	12.6	12.6	12.6	12.6	12.4	12.3	12.2	12.1
Products, mines.....	53.8	53.4	52.9	53.1	52.4	52.1	52.0	51.5	51.9	51.7
Products, forests.....	31.6	30.7	30.5	30.7	30.5	30.0	29.8	28.1	28.3	28.5
Manufactures and miscellaneous.....	27.4	26.9	26.3	26.8	26.6	25.9	26.2	26.4	26.5	26.5

WEEKLY CARLOADINGS HIGHEST SINCE 1930

Freight carloadings during the week ended May 17 totaled 861,277, an increase of 26.8 percent over the 679,065 cars loaded during the corresponding week in 1940. This loading represents an increase over the peak experienced during October of 1940 and 1939. In fact, loadings have not been at such a high level since November of 1930.

Coal loadings continued to gain following the interruption of mining operations in April, and at present are at a level 30 percent better than the corresponding period of 1940. Increases compared to that year were registered in all major commodities. The details follow:

CARLOADINGS, WEEK ENDED MAY 17, 1941

	1941	1940	Percent increase
Grain and grain products.....	38,905	30,754	26.5
Livestock.....	12,936	11,861	9.1
Coal.....	147,454	113,183	30.3
Coke.....	13,111	8,457	55.0
Forest products.....	41,342	34,777	18.9
Ore.....	76,609	48,935	56.6
Merchandise l. c. l.....	162,519	148,918	9.1
Miscellaneous.....	368,401	282,180	30.6
Total.....	861,277	679,065	26.8
Cumulative to date—20 weeks.....	14,608,491	12,690,982	15.6

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Refrigerated warehouse occupancy reported

Harry D. Crooks, Consultant on Warehousing, reports that refrigerated warehouse space occupancy is reported by the Agricultural Marketing Service as of April 30, 1941, as follows: Cooler space, 48 percent; freezer space, 61 percent; combined space, 53 percent.

This is a preliminary figure representing about 80 percent of the space normally reporting each month, only 212 concerns having reported to date against about 270 normally reporting.

On March 31, 1941, the combined refrigerated space was reported as 47 percent occupied.

STATE AND LOCAL COOPERATION . . .

28 State Guards organized; 55,000 men training to replace national units

Reports to the Division of State and Local Cooperation indicate that 28 States have organized State Guard units during the 7 months since Congress passed legislation enabling the States to organize and maintain additional military forces while the National Guard is in Federal service.

According to the War Department, approximately 55,000 men in these States are undergoing weekly instruction. A number of other States are in the process of organizing Guard units. This situation contrasts with that in the World War, when only 27 States established Home Guards.

Functions outlined

The primary function of the State Guards is to furnish protection for power plants, water supplies, docks, airfields, and other strategic and vital centers, the destruction of which by saboteurs would constitute a menace to public safety. In addition, the Guard will stand ready to supplement the police in the event of catastrophe or in case disorderly crowds threaten or actually do get beyond control. Finally, the Guard must stand prepared to capture or destroy any force attempting invasion from the air.

Part of the equipment for the State Guards is being provided by the War Department. Enfield rifles, gun slings, bayonets, and insignia for uniforms are available to the States without charge. The National Government, however, does not assume the costs of handling and transportation. Other equipment such as cartridges, gas masks, and first aid supplies is available for sale to the States.

Membership in the State Guards is defined by State legislation. The Congressional enabling act specified, however, that "no person shall, by reason of his membership in any such unit be exempted from military service under any Federal law." The State Guard unit, as such, cannot be drafted into Federal military service.

Uniform law proposed

To introduce uniformity into the State militia laws, no two of which were alike, the Federal-State Conference on Law

Enforcement Problems of National Defense, through its drafting committee, proposed a Model State Guard Act. Since January, this act, or one similar, has been enacted in 24 States.

To overcome the limitations imposed by boundary lines, 19 States since January 1, 1941, have incorporated into their militia laws a provision authorizing "fresh pursuit." This means that one State gives permission to the military forces of other States to cross its borders when the outside State forces are in actual pursuit of insurrectionists, saboteurs, or enemies.

State Guard units have been organized, have received Federal equipment, and are now undergoing weekly instruction, in the States listed below. This list also shows the authorized strength of the Guard units:

Alabama, 3,010; California, 10,000; Colorado, 250; Connecticut, 3,500; Florida, 2,000; Georgia, 5,500; Illinois, 5,960; Indiana, 2,509; Kansas, 1,500; Kentucky, 2,500; Maine, 500; Massachusetts, 6,552; Michigan, 2,460; Minnesota, 5,800; Mississippi, 765; Missouri, 2,860; New Hampshire, 500; New Jersey, 2,467; New Mexico, 610; New York, 13,916; North Carolina, 2,000; Rhode Island, 1,071; South Carolina, 6,000; Tennessee, 4,000; Texas, 14,588; Vermont, 700; Virginia, 3,113; Wisconsin, 2,500.

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Wyoming council acts on State Guard, county groups

Initial steps toward organization of a State guard and formation of county defense councils were taken by the Wyoming State Council of Defense at its first meeting in Cheyenne recently.

Organization of a State guard with a maximum present membership of 500 men was recommended by the council to Governor Nels H. Smith. At the same time, responsibility for formation of county defense councils was placed upon each member of the State council through assignment on a geographical basis.

Newly elected officers of the State council are: Col. Goelet Gallatin, of Big Horn, chairman; Maj. J. T. Lucey, of the State military department, temporary secretary.

Long Beach, Calif., defense council has disaster plan

A comprehensive plan for coordination of community effort, in case of major disaster, was already available to the local defense council in Long Beach, Calif., when it was set up recently. The Long Beach Defense Council supersedes the Disaster Emergency Council, which was set up over 6 years ago, following the 1933 earthquake, to coordinate rescue, relief and rehabilitation in case of another disaster.

Activities have been expanded to cover agricultural resources; civil protection; health, welfare and consumer interests; housing; transportation; human resources and skills; industrial resources and production. Increased personnel includes representatives from the Police Department, the Fire Department, the Harbor Board, and the Department of Public Service.

To operate with or without help

The Long Beach emergency disaster plan defines the functions of governmental units and relief units and the use of privately owned resources, in the event of disaster. The plan is designed to operate either with or without the help of the Army and Navy.

Specific duties are outlined for the following committees which, in most cases, function through governmental departments or already organized groups: Public Safety, Transportation, Communications, Purchase and Salvage, Publicity, Finance and Auditing, Relief and Rehabilitation (American Red Cross).

The plan was worked out by the Disaster Emergency Council in collaboration with civil governmental agencies, the armed forces, the American Red Cross, veterans' organizations, public utility companies, and other groups.

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ORE LOADINGS HEAVY

Reports from the four principal iron ore originating railroads show that for the 1941 season of navigation through May 17 a total of 12,735,844 long tons of ore had been loaded into boats at upper lake ports, as compared to 4,062,615 tons during the corresponding period in 1940.

Library, Western Kentucky
State Teachers College

44th State defense council set up; five are reorganized or expanded

State organization for civilian defense moved forward last week as one new State, Nevada, established a State defense council and five others—Arkansas, Mississippi, Delaware, Illinois, and Virginia—announced recent reorganization or expansion of council personnel.

There are now 44 State defense councils. These councils are commonly concerned with the following functional fields: Agricultural resources and production; civil protection; health, welfare and consumer interest; housing, works and facilities; human resources and skills; industrial resources and production.

Nevada

The Nevada State Council of Defense of 26 members was organized on May 15, according to Governor E. P. Carville, ex officio chairman of the council. Hugh Shamberger and H. E. Hazard of Carson City have been appointed State Director and Secretary, respectively.

A new Arkansas State Defense Council, to supersede the one established last August, has been announced by Governor Horace M. Adkins. Executive personnel includes: Ben H. Wooten, of Little Rock, chairman; J. J. Harrison, vice-chairman; L. A. Henry, secretary.

The new council is composed of 80 members representing professional, industrial, agricultural, and civic fields. In addition, there are 16 professionally trained directors who are executives in State governmental offices. Advisory committees will be named from members of the defense council to work with the directors for each phase of the work.

Detailed plans for organization of the Mississippi State Defense Council and a

statement of committee personnel were reported to the Division of State and Local Cooperation last week.

The council, under the direction of Col. Lea B. Robinson, chairman, is responsible to Governor Paul B. Johnson.

Delaware

Newly appointed officers of the Delaware State Council of Defense are: Col. Charles H. Gant, assistant to the general chairman, Wilmington; Lt. Gov. I. J. MacCollum, vice-chairman, Wyoming; Adj. Gen. Paul Rinard, vice-chairman, Wilmington. The council is responsible to Governor Walter W. Bacon, general chairman. Gerrish Gassaway, Wilmington, continues as executive vice-chairman.

Three new functional committees have been added to the Delaware organization—Emergency, disaster and evacuation; aircraft spotting service; and Navy cooperation.

Fifteen members of the Illinois State Council of Defense, and 15 functional committees were recently named by Governor Dwight H. Green. In addition to the usual committees, the following have been added: Coordination of Independent Groups; National Defense Bonds; and Women's Organization.

Thirty additional counties have been brought under Regional Defense Councils of Virginia, according to a recent report by J. H. Wyse, assistant coordinator of the State Defense Council. The report indicates that a total of 81 new members has been added to the personnel of seven of the eight regional councils within the State.

Nutrition delegates asked seven broad questions

Federal Security Administrator Paul V. McNutt said May 25 that the 400 delegates expected at the 3-day National Nutrition Conference for Defense, which opened in Washington on May 26, would be asked to answer seven broad questions in planning national food needs:

1. How much responsibility shall Government assume and what shall our national economic policy be with respect to nutrition?

2. What is the most effective way to solve the twin problems of undernutrition and of farm surpluses?

3. How can we send to Britain the food she needs and at the same time give all American families a fairly good diet?

4. Can nutritionally adequate diets for all be achieved as a result of the employment and wage increases to be expected this year and next?

5. Shall we attempt to promote inexpensive methods of distribution of all basic foods if it means displacing unneeded workers in the marketing system?

6. What remedies can be proposed for preventing widespread nutritional disabilities in view of the fact that nutritional diseases probably constitute our greatest medical problem, not from the point of view of deaths, but from the point of view of disability and economic loss?

7. What expansion will be necessary throughout our educational system—in public schools, colleges, and medical schools—to facilitate wider dissemination of nutrition information and the extension of opportunities for adult education in this field?

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WAYNE COY, *Liaison Officer.*

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COMMERCIAL AND CULTURAL RELATIONS BETWEEN THE AMERICAN REPUBLICS: Nelson Rockefeller, *Coordinator.*

DEFENSE AID REPORTS DIVISION: Maj. Gen. James H. Burns, *Executive Officer.*

DEFENSE COMMUNICATIONS BOARD: James Lawrence Fly, *Chairman.*

DEFENSE HOUSING DIVISION: C. F. Palmer, *Coordinator.*

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NATIONAL DEFENSE RESEARCH COMMITTEE: Dr. Vannevar Bush, *Chairman.*

OFFICE OF CIVILIAN DEFENSE: Fiorello H. La Guardia, *Director.*

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY: Leon Henderson, *Administrator.*

CONSUMER DIVISION: Harriet Elliott, *Assistant Administrator.*

STATE AND LOCAL COOPERATION DIVISION: Frank Bane, *Director.*

TRANSPORTATION DIVISION OF THE ADVISORY COMMISSION: Ralph Budd, *Commissioner.*

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COUNCIL

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Sidney Hillman, *Associate Director General.*
Secretary of War Henry L. Stimson.
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Secretary, Herbert Emmerich.
General Counsel, John Lord O'Brien.

PRODUCTION DIVISION: John D. Biggers, *Director.*

PURCHASES DIVISION: Donald M. Nelson, *Director.*

PRIORITIES DIVISION: E. R. Stettinius, Jr., *Director.*

LABOR DIVISION: Sidney Hillman, *Director.*
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